

EXHIBIT 5

DIRECT TESTIMONY OF D. ANDREW OWENS
ON BEHALF OF CLECO POWER LLC

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TO RULE 12.1 OF THE COMMISSION'S
RULES OF PRACTICE AND PROCEDURE

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

EX PARTE: APPLICATION OF	)	
CLECO POWER LLC FOR	)	
AUTHORIZATION OF: (I) SITE	)	
SPECIFIC CONTRACT FOR	)	
LARGE LOAD CUSTOMER;	)	
(II) BRIDGE CAPACITY	)	
CONTRACT; (III) CONSTRUCTION	)	DOCKET NO. U-_____
OF NEW TRANSMISSION	)	
INTERCONNECTION;	)	
(IV) CONSTRUCTION OF NEW	)	
GENERATION; (V) ASSOCIATED	)	
WAIVERS; AND (VI) EXPEDITED	)	
TREATMENT.	)	

DIRECT TESTIMONY

OF

D. ANDREW OWENS

ON BEHALF OF

CLECO POWER LLC

JULY 1, 2026

**CLECO POWER LLC
DIRECT TESTIMONY OF D. ANDREW OWENS
DOCKET NO. U-_____**

EXHIBITS

EXHIBIT NO.	DESCRIPTION
Exhibit DAO-1	D. Andrew Owens List of Proceedings Previously Testified In
Exhibit DAO-2	Large Load Additions Non-Binding Guidelines Matrix

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I. INTRODUCTION AND BACKGROUND

Q1. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A. My name is D. Andrew Owens. I serve as Principal of DANDREWO Consulting, LLC.
My business address is 714 Edinburgh Ct., Mandeville, Louisiana, 70448.

**Q2. PLEASE DESCRIBE YOUR PROFESSIONAL AND EDUCATIONAL HISTORY
AND YOUR CURRENT ROLE.**

A. In 1991, I earned a Bachelor of Science degree in Chemical Engineering from Iowa State University. In 1998, I was awarded a Master of Science in Management degree (equivalent to an MBA) from Georgia Institute of Technology ("Georgia Tech"). I became a registered Professional Engineer in Georgia in 1996 and received my license as a Certified Public Accountant in Louisiana in 2009. Between 1991 and 1996 prior to entering graduate school at Georgia Tech, I worked for an environmental consulting firm that specializes in air pollution issues, such as federal and state permitting and computer simulations.
After receiving my master's degree from Georgia Tech, I joined Entergy Services, Inc. ("ESI")¹ in 1998. While I was employed by ESI, I held various roles of increasing responsibility in Sales and Marketing, and Regulatory. From early 2000 through the end of 2004, I was employed by Entergy Solutions, Ltd. and was responsible for marketing to the commercial and industrial segments within the Electric Reliability Council of Texas ("ERCOT") competitive retail market. I rejoined ESI in early 2005 and supported Entergy Louisiana, LLC ("ELL")². From 2005 until early 2007, I was responsible for developing

¹ In September 2018, ESI changed its name and corporate structure to Entergy Services, LLC ("ESL"). ESL is the service company affiliate of the Entergy Operating Companies ("EOCs") that provides engineering, planning, accounting, technical, regulatory, and other administrative support services to each of the EOCs.

² Entergy Louisiana, LLC in its present form was created in 2015 in a business combination of what formerly was Entergy Louisiana, LLC and Entergy Gulf States Louisiana, LLC.

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1 new regulated electric sales opportunities in Louisiana. In 2007, I was named Manager,
2 Regulatory Projects for ELL and was promoted to Director of Regulatory Affairs in early
3 2009. While serving in that role, I participated in numerous projects involving resource
4 acquisitions, Louisiana Public Service Commission ("LPSC" or "Commission")
5 rulemakings, and other matters before the Commission on behalf of ELL.

6 At the beginning of 2014, I assumed the role as Director, Regulatory Policy providing
7 support with respect to various regulatory, policy, and ratemaking matters to all of Entergy
8 Corporation's regulated Operating Companies doing business in Arkansas, Louisiana,
9 Mississippi, and Texas, respectively. In 2015, I transitioned to a newly created role within
10 ESI as Director, Regulatory Research. My role principally involved managing a team that
11 provided regulatory and policy support to Entergy Corporation's regulated operating
12 companies as well as helping to formulate strategy related to ratemaking and the potential
13 impacts of and opportunities of new and emerging technologies, including grid
14 modernization and advanced metering infrastructure ("AMI"), large-scale and distributed
15 renewable energy, electric vehicles and charging infrastructure, energy efficiency and
16 demand response, and energy storage.

17 I retired from ESL at the end of 2023 and subsequently began my consulting practice
18 working with Cleco Power LLC ("Cleco Power" or the "Company") and other similar
19 clients providing regulatory policy support and related services. In early 2024, I also began
20 working part-time as a Research Fellow for Louisiana State University's Energy Institute
21 (formerly the Center for Energy Studies).

22 **Q3. HAVE YOU PREVIOUSLY TESTIFIED IN A REGULATORY PROCEEDING?**

23 **A.** Yes. Exhibit DAO-1 lists proceedings in which I have previously participated and testified.

II. OVERVIEW OF TESTIMONY

Q4. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. I am testifying on behalf of Cleco Power (or “the Company”) to support its Application for approval of a site-specific rate tied to an Electric Service Agreement (“ESA”) and related agreements with Applied Digital Corporation (the “Customer”);³ approval to enter into a Midcontinent Independent System Operator, Inc. (“MISO”) Zonal Resource Credit Long Form Transaction Confirmation with Tenaska Frontier Partners, Ltd. (the “Capacity Agreement”); approval of or exemption of transmission infrastructure investments necessary to reliably serve the Customer’s new \$3.6 billion hyperscale data center project that is locating in Rapides Parish, Louisiana (the “Project”);⁴ and approval of the Company’s construction of new generation infrastructure to serve Cleco Power’s existing and future customer load.

Other Company witnesses include: Austin Finn, who describes the Project, the 15-year ESA and related agreements including the Customer’s responsibility for costs related to the Capacity Agreement and various analyses performed by the Company; Christina C. McDowell, who addresses the estimated revenue requirement for the proposed new generator as well as proposed accounting treatment and related ratemaking issues; Christopher Thibodeaux, who discusses Cleco Power’s transmission system more broadly,

³ Cleco Power notes that the Customer could be considered a related party to the Company by some standards based on an attenuated upstream relationship with Macquarie Asset Management (“MAM”) (see, e.g., <https://www.sec.gov/ix?doc=/Archives/edgar/data/18672/000108981926000002/cnl-20251231.htm#fact-identifier-1865>). Because the ESA and related agreements were negotiated on an arms-length basis and because MAM does not own or control the Customer, the ESA should not be considered an affiliate transaction for purposes of the Commission’s rules and regulations. However, even if the ESA were treated as such, Cleco Power’s Application and supporting testimony and exhibits demonstrate that the ESA and related agreements provide significant benefits to other customers, include appropriate safeguards and consumer protections, and serve the public interest.

⁴ See: <https://www.opportunitylouisiana.gov/news/central-louisiana-secures-3-6-billion-applied-digital-ai-factory-campus>.

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1 transmission planning, and MISO's relevant processes; Shannon Jenkins, who discusses
2 the transmission interconnection with the Customer and the related timeline and costs;
3 Richard Leon Sharp, who discusses long-term resource planning, the Capacity Agreement,
4 and the need for new generation; Robert Breedlove, who discusses the proposed new
5 generator and the steps the Company is taking to refine its cost estimate and timing;
6 Jonathan E. Long, who discusses the current state of the market and the unprecedented
7 challenges the Company, other utilities, and merchant developers are facing with turbine
8 original equipment manufacturers ("OEMs"), related equipment suppliers, and firms that
9 provide engineering, procurement, and construction ("EPC") services; and Vincent M.
10 Sipowicz, who discusses Cleco Power's current financial condition and metrics, the
11 Company's cost reimbursement and related agreements with the Customer, credit
12 protections that will be in place, and the various other steps that have been and will be
13 taken to protect customers and the Company while construction of new infrastructure is
14 ongoing and after those projects enter service and the Customer is taking electric service
15 under the ESA.

16 Specifically, my direct testimony discusses: (1) applicable LPSC General Orders, policies,
17 and guidance documents along with requested approvals, waivers, or exemptions; (2) the
18 economic and other benefits associated with the Project; (3) why the ESA and related
19 agreements, the Capacity Agreement, necessary transmission and generation infrastructure
20 investments, and requested approvals as well as waiver of, or exemption from, certain
21 LPSC General Orders and their requirements in aggregate are necessary, reasonable, and
22 in the public interest; and (4) requested regulatory approvals and timing thereof.

III. APPLICABLE LPSC ORDERS AND POLICIES

Q5. PLEASE LIST THE LPSC GENERAL ORDERS AND POLICIES THAT POTENTIALLY APPLY TO THE COMPANY'S APPLICATION.

A. The 1983 General Order,⁵ the Market Based Mechanisms ("MBM") Order,⁶ the Lightning Amendment,⁷ the Transmission Siting Order,⁸ the Industrial Load Rule,⁹ the Large Load Additions Non-Binding Guidelines,¹⁰ and the Electric Utility Tariff Filings Order¹¹ potentially apply to one or more aspects of the Company's Application. Each of the relevant LPSC General Orders and policies are discussed individually, below.

A. The 1983 General Order

Q6. PLEASE DESCRIBE THE 1983 GENERAL ORDER AND HOW IT APPLIES TO THE COMPANY'S APPLICATION.

A. Subject to certain exemptions, the 1983 General Order, as amended, requires an electric public utility subject to the Commission's jurisdiction to seek prior approval before constructing a new generator, acquiring an existing generator, or entering into a contract to

⁵ The 1983 General Order as amended most recently in LPSC Docket No. 30517 by General Order (May 27, 2009), *In re: Possible modifications to the September 20, 1983 General Order to allow (1) for more expeditious certifications of limited term resource procurements and (2) an exception for annual and seasonal liquidated damages block energy purchases* (the "1983 General Order").

⁶ LPSC General Order (February 16, 2004) as amended most recently by the October 14, 2024 General Order No. R-34247; *In re: Development of Market-Based Mechanisms to Evaluate Proposals to Construct or Acquire Generating Capacity to Meeting Native Load, Supplements the September 20, 1983 General Order*; the "MBM Order."

⁷ See: LPSC Minutes from December 17, 2025, Open Session, at p. 6-7, available at https://www.lpsc.louisiana.gov/docs/minutes/Dec_17_2025_Min.pdf.

⁸ LPSC General Order 09-10-2024 (R-36199) (September 10, 2024) in Docket No. R-36199; *In re: Review and Possible Modification of the Commission's General Order dated October 10, 2013 Governing Transmission Certification and General Siting* (the "Transmission Siting Order").

⁹ LPSC General Order 7-29-2019 in Docket No. R-34860, *In re: Rules Applicable to Electric Service Providers' Provision of Service to Load Outside its Historical Footprint that may be Offered for Industrial Load*; Attachment A.

¹⁰ See: the Commission's *Large Load Additions Non-Binding Guidelines* available at https://lpsc.louisiana.gov/docs/general/Non-Binding_Guidelines_for_Potential_Large_Load_Customers.pdf

¹¹ LPSC General Order 7/1/2019 in Docket No. R-34738; *In re: Proceeding to Establish Rules Regarding Electric Utility Tariff Filings and Related Review, Including Site Specific Rate Filings*.

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1 purchase capacity and/or energy from another entity (*i.e.*, a power purchase agreement or
2 “PPA”). The relevant language from Paragraph 1 of the Order is as follows:

3 *“No electric public utility subject to the jurisdiction of the Commission*
4 *shall commence any on site construction activity or enter into any contract*
5 *for construction or conversion of electric generating facilities or contract*
6 *for the purchase of capacity or electric power, other than emergency or*
7 *economy power purchases, without first having applied to the Commission*
8 *for a certification that the public convenience and necessity would be*
9 *served through completion of such project or confection of such contract.*
10 *Feasibility and engineering studies, site acquisition and related activities*
11 *preliminary to a determination of the desirability or need for plant*
12 *construction or conversion on purchase power contracts are exempted*
13 *from this requirement.”*

14 The 1983 General Order also requires that an application for certification include specific
15 cost and other data utilized by the utility to support its justification to construct, acquire, or
16 enter into a PPA along with an expected timeline and key milestones.¹² In the case of an
17 agreement to purchase energy and/or capacity, the 1983 General Order requires that the
18 application include a copy of the executed document(s).¹³ The 1983 General Order, as
19 amended, provides that the Commission issue a procedural schedule with a hearing date
20 that would allow a decision to be made within 120 days of the filing date for an acquisition
21 or a PPA. Finally, the 1983 General Order requires that the Company “...*notify the*
22 *Commission immediately when it is determined that project or contract costs will exceed*
23 *that stated in the application or the completion date for commercial operation is*
24 *extended”*.¹⁴ Mr. Breedlove discusses a quarterly monitoring plan the Company is
25 proposing to regularly update the Commission on construction progress and other activities

¹² 1983 General Order, at Ordering Paragraph 2.

¹³ *Id.*

¹⁴ 1983 General Order, at Ordering Paragraph 3.

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1 associated with building the new natural gas-fueled combined cycle combustion turbine
2 (“CCGT”) generator necessary to reliably serve Cleco Power’s customers.

3 With respect to the Company’s Application, the Capacity Agreement and the proposed new
4 CCGT generator that is necessary to reliably serve the Customer as well as meet the long-
5 term needs of the Company’s customers both require LPSC certification under the 1983
6 General Order as amended. The ESA provisions requiring the Customer to pay for the
7 costs incurred under the Capacity Agreement are discussed further by Mr. Finn and Mr.
8 Sipowicz while the need for the Capacity Agreement and for the proposed new CCGT
9 generator are discussed by Mr. Sharp, and the steps the Company is taking to further its
10 proposed CCGT generator project are discussed by Mr. Breedlove and Mr. Long.

11 **Q7. HAS THE COMPANY COMPLIED WITH THE 1983 GENERAL ORDER AS IT**
12 **RELATES TO THE CAPACITY AGREEMENT?**

13 **A.** Yes. As discussed further by Mr. Sharp, the Company sought out resources that were
14 capable of providing capacity needed to serve the Customer beginning in mid-2027 when
15 the data center is expected to start taking electric service, while also ensuring that the
16 Company meets its resource adequacy requirements in the MISO wholesale market as well
17 as the Commission’s minimum capacity obligations pursuant to the Commission’s MCO
18 General Order.¹⁵ A copy of the executed Capacity Agreement is included as Highly
19 Sensitive Protected Materials (“HSPM”) Exhibit RLS-2 (HSPM). As I discuss later in my
20 testimony, the Capacity Agreement is necessary and in the public interest because it helps
21 fulfill the Company’s obligations to reliably serve the Customer during the first 10 years
22 of the ESA. Therefore, the Company requests that the Commission include in its order

¹⁵ General Order No. 7-16-2024 (R-36263), issued July 16, 2024 (the “MCO General Order”).

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1 approving the Application a finding that the Capacity Agreement is reasonable, necessary,
2 satisfies the requirements of the 1983 General Order, and is in the public interest.

3 **Q8. HAS THE COMPANY COMPLIED WITH THE 1983 GENERAL ORDER AS IT**
4 **RELATES TO THE PROPOSED NEW CCGT GENERATOR?**

5 **A.** Yes. Mr. Sharp discusses the Company's integrated resource planning ("IRP") process
6 and what other resource alternatives were considered. Mr. Breedlove discusses the
7 proposed new CCGT generator and the various steps the Company is taking to refine the
8 estimated costs to construct the new natural gas-fueled generator, the associated
9 construction timeline and key milestones, the proposed quarterly monitoring plan,
10 uncertainties and risks, and the steps the Company is taking to mitigate those uncertainties
11 and risks. The Company has satisfied the requirements specified in Ordering Paragraph 2
12 of the 1983 General Order, and the Commission should approve the new CCGT generator
13 as being reasonable, necessary, meeting the requirements laid out in the 1983 General
14 Order, and in the public interest, which I discuss in more detail later in my testimony.
15 Therefore, the Company requests that the Commission in its order approving the
16 Application include a finding that data and information provided for the proposed new
17 CCGT generator supports the Company's requests and, as such, satisfies the requirements
18 of the 1983 General Order.

19 **B. The MBM Order**

20 **Q9. PLEASE DESCRIBE THE MBM ORDER AND HOW IT APPLIES TO THE**
21 **COMPANY'S PLANS.**

22 **A.** The MBM Order was initially adopted more than 20 years ago in February 2004 and has
23 evolved over the years with various amendments and modifications, including most

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1 recently the Lightning Amendment adopted by the Commission at its December 2025
2 Business and Executive Session. Subject to certain criteria and exemptions, the MBM
3 Order generally requires a utility proposing to construct a resource, acquire a resource, or
4 enter into a PPA with another entity to utilize “...a market-based mechanism to support
5 the addition of generating capacity intended to serve LPSC-jurisdictional retail
6 customers.”¹⁶ For a proposed resource that is not exempt per the MBM Order, itself, or
7 subject to a specific waiver from the Commission, a utility will typically conduct a formal
8 request for proposals (“RFP”) process, or use a similar method, to “market test” and gather
9 information in order to present analysis supporting its decision to procure the resource(s)
10 and comply with the 1983 General Order.¹⁷

11 **Q10. DID THE COMPANY CONDUCT A FORMAL RFP TO SECURE THE**
12 **CAPACITY AGREEMENT OR THE PROPOSED CCGT GENERATOR?**

13 **A.** No, and as I will discuss below, the Company was not required to conduct an RFP under
14 the Commission’s newly adopted Lightning Amendment to the MBM Order. Mr. Sharp
15 discusses the process the Company utilized to secure the Capacity Agreement, while Mr.
16 Finn and Mr. Sipowicz separately address how the Customer is responsible for covering
17 the entirety of those costs per the ESA. Mr. Breedlove discusses the steps the Company
18 has undertaken to develop and refine its cost estimate, timeline, and key milestones for its
19 proposed new generator. Mr. Long discusses why following the normal MBM Order
20 process and timeline is not feasible or realistic in the current generation market consistent
21 with Mr. Breedlove’s discussion of the Company’s need to secure sufficient capacity in a

¹⁶ MBM Order, Rule 1.

¹⁷ 1983 General Order, Ordering Paragraph 2.

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1 timely manner to meet the Customer's requirements as well as its other customers' needs
2 and mitigate the significant risk that several existing, aged generators may not be available
3 over the planning horizon. As noted earlier, Mr. Long describes in detail the current state
4 of the market and the challenges the Company and others are facing with respect to
5 procuring equipment and services to add new generation.

6 **Q11. PLEASE SUMMARIZE THE COMPANY'S POSITION ON APPLICABILITY OF**
7 **THE MBM ORDER.**

8 **A.** As I discuss in the following section, the Company believes that its Application, the terms
9 of the 15-year ESA and related agreements with the Customer, and the testimony, exhibits,
10 and documentation provided pursuant to the 1983 General Order satisfy the requirements
11 of the Lightning Amendment and support the Company's position that the Capacity
12 Agreement and the proposed new CCGT generator are both exempt from the MBM Order
13 and its requirements.

14 **C. The Lightning Amendment**

15 **Q12. PLEASE DESCRIBE THE LIGHTNING AMENDMENT AND HOW IT APPLIES**
16 **TO THE PROJECT.**

17 **A.** As noted above, the Commission adopted a new policy at its December 2025 Business and
18 Executive Session, called the "Lightning Amendment," which waives the MBM Order for
19 a capacity addition that a utility proposes to make when certain criteria and obligations are
20 met. The Lightning Amendment also sets in motion a procedural timeline with an objective
21 that the Commission reach a decision within eight (8) months of the submittal of an
22 application; the utility is also required to communicate its intention to file with the LPSC's
23 Executive Counsel no later than 60 days prior to submitting a filing, which the Company

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1 did. A copy of the Company's notification letter submitted to the LPSC's Executive
2 Secretary on April 30, 2026, is attached to Mr. Finn's testimony as Exhibit ATF-1.
3 Importantly, the Lightning Amendment does not relieve the utility of having to seek
4 Commission approval of any needed resource(s) under the 1983 General Order or preclude
5 the LPSC Staff or any intervening parties from having an opportunity to fully participate
6 in the proceeding.

7 **Q13. PLEASE DESCRIBE THE FACTORS IN THE LIGHTNING AMENDMENT THE**
8 **UTILITY MUST DEMONSTRATE.**

9 **A.** There are five (5) factors that a utility must address in its application and demonstrate that
10 it satisfies; they are as follows:

- 11 *a. A signed electric service agreement ("ESA") with a new or expanding load with a*
12 *requested initial in-service date within five years of the certification application;*
13 *b. Without the proposed capacity, the utility is projected to be short of the energy or*
14 *capacity needed to meet the customer's electric requirements on the requested in-*
15 *service dates;*
16 *c. A letter from the Secretary of Louisiana Economic Development confirming the*
17 *customer's interest and the importance of power availability within the five-year initial*
18 *in-service date;*
19 *d. The ESA has a term of at least 15 years, with an option to renew; and*
20 *e. The ESA ensures a level of fixed revenue over the term of the ESA that will cover at*
21 *least one-half of the fixed revenue requirement associated with the requested capacity*
22 *during the term of the customer ESA.*¹⁸

23 **Q14. DOES THE COMPANY'S APPLICATION QUALIFY FOR AN EXEMPTION OF**
24 **THE MBM ORDER UNDER THE LIGHTNING AMENDMENT PROVISIONS?**

¹⁸ See: LPSC Minutes from December 17, 2025, Open Session, at p. 6-7, available at
https://www.lpsc.louisiana.gov/docs/minutes/Dec_17_2025_Min.pdf.

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A. Yes, I believe that it does. I have prepared the following table summarizing how the terms and pricing of the 15-year ESA and related agreements with the Customer, the projected near- and long-term resource needs of the Company, and the overall economics collectively support the Company's position that it is in conformance with the five (5) Lightning Amendment factors enumerated above. Therefore, the Company requests the Commission's order in this proceeding include a finding that the Project and the resources necessary to serve the Customer's load and Cleco Power's other customers' requirements satisfy the five (5) factors and, as such, qualifies under the Lightning Amendment for an exemption from the MBM Order.

Table 1. Conformance with the Lightning Amendment Factors.

Factor	Support
a	See <u>Exhibit ATF-3</u> (HSPM); the term of the ESA is 15 years with an option to renew, the Customer is expected to begin taking electric service in May 2027, and is expected to ramp up to its full load in 2028.
b	See the testimony of Company witness Mr. Sharp including <u>Exhibit RLS-2</u> (HSPM); the Capacity Agreement is necessary to satisfy the Company's MISO resource adequacy and LPSC minimum capacity obligations.
	See the testimony and exhibits of Company witnesses Mr. Sharp and Mr. Breedlove; the proposed new generator is necessary to reliably supply the Company's customers as well as mitigate risk that existing, aging generators will be retired within the planning horizon.
c	See <u>Exhibit ATF-2</u> .
d	See Factor (a), above, and <u>Exhibit ATF-3</u> (HSPM).
e	See the testimony and exhibits of Mr. Finn and Mr. Sipowicz; under the 15-year ESA, the Customer is responsible for covering 100% of the costs of the Capacity Agreement.
	The Customer is expected to cover more than one-half of the revenue requirement associated with the proposed new generator during the remaining initial term of the ESA.

D. The Transmission Siting Order

Q15. PLEASE DESCRIBE THE TRANSMISSION SITING ORDER AND HOW IT APPLIES TO THE PROJECT.

A. In October 2013, the Commission first adopted rules via the Transmission Siting Order that put in place requirements for the Commission's prior authorization of transmission infrastructure projects, along with certain specified exemptions. The Transmission Siting Order was updated and amended in 2024. More specifically, the Transmission Siting Order provides that "no person or entity subject to the jurisdiction of the Commission shall commence construction of any Transmission Facility..." located in Louisiana without first receiving authorization from the Commission.¹⁹ The Transmission Siting Order includes limited exemptions, including for construction of "a new switching station, or substation" and transmission infrastructure related to "interconnecting specifically identified industrial customers."²⁰

Q16. IS NEW TRANSMISSION INFRASTRUCTURE REQUIRED TO SERVE THE CUSTOMER'S DATA CENTER LOAD?

A. Yes. Mr. Jenkins discusses the transmission infrastructure that will be constructed to directly interconnect the Customer's data center to Cleco Power's transmission grid. As discussed further by both Mr. Finn and Mr. Sipowicz, the direct interconnection costs will be borne entirely by the Customer through Contribution in Aid of Construction ("CIAC") payments, meaning those costs will not be recovered in other customers' retail electric rates. Given that the transmission interconnection with the Customer is needed to meet the

¹⁹ Transmission Siting Order Attachment A, p. 3.

²⁰ Transmission Siting Order Attachment A, at p. 9 Exemptions Paragraphs VIII(a) and (f) (emphasis added).

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Customer's requirements, the assets will only serve the Customer, and the fact that the Customer will pay for the interconnection and related infrastructure in its entirety with CIAC payments, the transmission interconnection qualifies for an exemption from the Transmission Siting Order under Paragraph VIII(f).

Q17. DOES THE TRANSMISSION INFRASTRUCTURE NECESSARY TO INTERCONNECT THE CUSTOMER'S DATA CENTER QUALIFY FOR AN EXEMPTION TO THE TRANSMISSION SITING ORDER?

A. Yes. Section VIII(f) provides an exemption for:

"New transmission point-of-delivery facilities, including radial lines, loop flow lines, switching stations, and substations undertaken for the sole purpose of interconnecting specifically identified industrial customers located in Louisiana that have executed an interconnection agreement or accommodating a new or expanding load for specifically identified customers located in Louisiana that have executed interconnection agreements and/or electric service agreements ("ESA");"

The transmission infrastructure that Mr. Jenkins discusses in his testimony will be constructed to interconnect the Customer's data center and falls squarely within the exemption above and, further, will be paid for in its entirety by the Customer through CIAC payments, which, as customary, will be grossed up to cover income taxes. Cleco Power witness Ms. McDowell addresses how a tax gross-up will be applied to CIAC payments. Given the circumstances, the Company requests that the Commission in its order in this proceeding either affirm that the project is exempt from the Transmission Siting Order or grant a waiver in its findings for the transmission interconnection and related infrastructure.

Q18. IS THERE ANY TRANSMISSION INFRASTRUCTURE THAT WILL BE NECESSARY TO INTERCONNECT THE NEW GENERATOR?

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A. Yes. Mr. Thibodeaux discusses MISO's transmission planning process, describes how the new CCGT generator would be interconnected to Cleco Power's transmission grid, and provides a cost estimate of [REDACTED] for a new substation. The new substation falls under Paragraph VIII(a) of the Transmission Siting Order and, as such, does not require certification under the order. To be clear, the Company is seeking Commission authorization in this proceeding for the substation as a directly-related element of constructing and interconnecting the new CCGT generator.

Mr. Sharp and Mr. Thibodeaux also discuss MISO's Expedited Resource Addition Study ("ERAS") process, under which MISO is reviewing the proposed CCGT generator to determine what network upgrades, if any, may be required. It is my understanding that the results of that study are expected to be received in early 2027. I would note that Mr. Thibodeaux does describe one possible transmission project that the Company believes could result from MISO's ERAS process. However, this Application is not seeking LPSC approval for the project Mr. Thibodeaux describes, or any other transmission upgrades that may be required for the new generator to utilize network transmission service. To the extent any of that future transmission infrastructure would fall under the Transmission Siting Order, the Company will seek the necessary approval, or request a waiver, in a separate proceeding.

E. The Industrial Load Rule

Q19. PLEASE DESCRIBE THE INDUSTRIAL LOAD RULE AND HOW IT APPLIES TO THE PROJECT.

A. In response to several instances in which an electric utility began to serve new industrial load outside of the utility's historic footprint, the Commission adopted new rules and

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1 requirements in 2019. General Order 7-29-2019 applies to a jurisdictional electric utility
2 that signs an agreement to provide electric service to a new industrial load that meets
3 certain criteria.²¹ Rule 3 of the Industrial Load Rule provides that a utility such as Cleco
4 Power that is subject to the Commission's IRP requirements, prior to entering into an ESA
5 with a customer who has a load that represents 5% or more of the utility's peak demand,
6 must submit one of the following:²²

7 *(1) a filing which illustrates how the most recent IRP accommodates such load*
8 *growth (e.g. the utility was long on generation and able to absorb the growth*
9 *and still maintain an adequate margin),*

10 *(2) a filing to update its IRP to illustrate how it plans to accommodate the new*
11 *load growth, or*

12 *(3) a filing pursuant to the MBM Order and/or the 1983 Order requiring*
13 *Commission certifications for the acquisition of power supply.*

14 **Q20. PLEASE DESCRIBE HOW CLECO POWER COMPLIES WITH THE**
15 **INDUSTRIAL LOAD RULE.**

16 **A.** After full the ramp-up is complete, the new load associated with the Customer's data center
17 will exceed 5% of Cleco Power's approximately 2,100 MW peak load.²³ This Application
18 and, more specifically, the Company's request to certify the Capacity Agreement and its
19 proposed new generator, once approved, will provide sufficient capacity to satisfy
20 condition (3), above. Further, with respect to condition (2) above, the Company submitted
21 an Interim IRP Report to the Commission on September 5, 2025,²⁴ which was subsequently

²¹ LPSC General Order 7-29-2019 in Docket No. R-34860, *In re: Rules Applicable to Electric Service Providers' Provision of Service to Load Outside its Historical Footprint that may be Offered for Industrial Load*; Attachment A (the "Industrial Load Rule").

²² *Id.* at Rule 3.

²³ 2025 FERC Form 1 at p. 401b.

²⁴ LPSC Docket No. I-37725, Cleco Power LLC, ex parte. *In re: 2025 Request to initiate Interim Integrated Resource Planning process pursuant to Order No. U-36923 and General Order (Corrected) dated August 28, 2024 (R-36262).*

1 consolidated with the Company's 2027 IRP initiated on October 22, 2025, in LPSC Docket
2 No. I-37765. The 2027 IRP is on-going with the Company most recently making a data
3 assumptions filing on February 26, 2026, which was followed by a stakeholder meeting.²⁵
4 Mr. Sharp discusses the Interim IRP Report and the on-going 2027 IRP proceeding in more
5 detail in his testimony.

6 **F. The Large Load Additions Non-Binding Guidelines**

7 **Q21. PLEASE DESCRIBE THE COMMISSION'S NON-BINDING GUIDELINES AND**
8 **HOW THEY APPLY TO THE PROJECT.**

9 **A.** The LPSC issued a directive at its February 2026 Business and Executive Session
10 requesting that its Staff issue guidance to utilities seeking to serve new, large loads. Shortly
11 afterwards, the LPSC Staff issued non-binding guidelines that serve as a companion to the
12 Commission's Industrial Load Rule discussed above, as well as other relevant LPSC
13 General Orders.²⁶ The non-binding guidelines lay out a series of conditions in twelve (12)
14 sections that a utility seeking to serve a new, large load should address in an application
15 such as this one. Although it should be noted that the guidelines are non-binding in the
16 sense that they are not memorialized in a General Order, footnote 1 nonetheless states:
17 *"These guidelines are intended to ensure a utility is addressing known areas of concern for*
18 *the Commission; while non-binding, failure to adequately address these concerns is a risk*
19 *on the utility."*

20 **Q22. HAS THE COMPANY ADDRESSED EACH OF THE SECTIONS WITHIN THE**
21 **COMMISSION'S NON-BINDING GUIDELINES?**

²⁵ See: <https://www.cleco.com/about/regulatory/integrated-resource-plan/irp2025>.

²⁶ See: https://lpsc.louisiana.gov/docs/general/Non-Binding_Guidelines_for_Potential_Large_Load_Customers.pdf.

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1 **A.** Yes. Although I will address each of the sections individually below, I have also prepared
2 a matrix attached as Exhibit DAO-2, which summarizes how the Company has addressed
3 each of the twelve (12) sections in the non-binding guidelines document. Included in the
4 matrix are references to other witnesses and their direct testimony and exhibits.

5 **Q23. PLEASE DESCRIBE HOW THE COMPANY HAS ADDRESSED SECTION I OF**
6 **THE NON-BINDING GUIDELINES.**

7 **A.** Section I covers “Need, Scope, and Load Characteristics” and includes load characteristics
8 like expected peak demand (MW), annual energy usage (MWh), contribution to the
9 utility’s system peak, load ramp schedule, and how the new load might fluctuate under
10 seasonal extremes and abnormal system conditions. Mr. Finn covers the Customer’s
11 expected load and usage characteristics, the ramping schedule in the ESA, and how those
12 values were considered in the RIM Test and other analyses that were performed by the
13 Company. Mr. Sharp addresses the Customer’s expected contribution to Cleco Power’s
14 coincident peak load, seasonal peaks, the current IRP process, and the overall long-term
15 supply plan, including the need for the Capacity Agreement and for construction of new
16 dispatchable generation, which is needed regardless of the Customer’s data center load.
17 Mr. Thibodeaux addresses how the Customer’s anticipated load profile was evaluated by
18 the Company under various system conditions.

19 **Q24. PLEASE DESCRIBE HOW THE COMPANY HAS ADDRESSED SECTION II OF**
20 **THE NON-BINDING GUIDELINES.**

21 **A.** Section II covers “Resource Adequacy & Capacity” and indicates the utility should
22 demonstrate that sufficient firm, deliverable capacity either already exists or will be
23 constructed to serve the load without impairing system reliability. The utility also needs

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1 to show that the accreditation of that capacity reflects actual availability during system
2 peak, that any deliverability constraints have been evaluated, and that any capacity
3 resources that exists, or are procured or constructed are aligned temporally and
4 geographically with the load. Mr. Sharp's testimony addresses the Company's overall
5 supply plan, the current IRP, and the necessity of the Capacity Agreement. Further, Mr.
6 Sharp addresses how the Company evaluated the Customer's expected peak load in relation
7 to MISO's resource adequacy requirements, including covering the reserve margin. Mr.
8 Breedlove and Mr. Thibodeaux discuss the various factors the Company considered in
9 deciding to locate the new generator in the vicinity of the Customer's load including the
10 role deliverability constraints played.

11 **Q25. PLEASE DESCRIBE HOW THE COMPANY HAS ADDRESSED SECTION III OF**
12 **THE NON-BINDING GUIDELINES.**

13 **A.** Section III covers "Transmission & Interconnection" and indicates that the utility needs to
14 identify all transmission upgrades that will need to be constructed, or that have their
15 construction accelerated, because of the new load. The utility also needs to demonstrate
16 that any network and interconnection costs caused by the load are fully assigned to the
17 load, that no transmission costs are shifted to the utility's existing customers that they might
18 not otherwise bear or for which they do not derive commensurate benefits, and that any
19 transmission-related timelines are consistent with the load ramp up. Finally, the utility
20 needs to demonstrate that queue priority and the treatment of interconnection costs are
21 consistent with the utility's tariff requirements and do not disadvantage existing customers.
22 Mr. Thibodeaux discusses the new substation necessary to interconnect the proposed
23 CCGT generator, the status of MISO's ERAS evaluation, and the possibility of future

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1 transmission upgrades that may be necessary for that generator to utilize network
2 transmission service. Mr. Jenkins addresses the status of the direct Customer transmission
3 interconnection and the associated costs and explains that the Customer was treated the
4 same as any other new customer seeking electric service. As noted above, the Customer
5 will make CIAC payments to cover the entirety of the transmission interconnection costs,
6 meaning the Company's other customers will not have to cover any of that investment.
7 Mr. Finn and Mr. Sipowicz address the terms of the ESA and the CIAC payments in their
8 respective testimonies and that the treatment of the Customer has been, and will continue
9 to be, consistent with the Company's LPSC-approved tariffs, policies, and that other,
10 existing customers were not, nor will they be in the future, disadvantaged in any way. Mr.
11 Sipowicz also discusses the CIAC payments and other protections that have been put in
12 place to protect Cleco Power and the Company's other customers. To this last point, Mr.
13 Finn also addresses the results of RIM Test modeling, which demonstrate that other
14 customers are not only unharmed, but actually are expected to benefit from the Company's
15 provision of electric service to the Customer's new data center.

16 **Q26. PLEASE DESCRIBE HOW THE COMPANY HAS ADDRESSED SECTION IV OF**
17 **THE NON-BINDING GUIDELINES.**

18 **A.** Section IV covers "Stranded Asset & Exit Risk" and indicates that the utility must
19 demonstrate that reasonable protections exist (e.g., in the ESA and related agreements) to
20 guard against stranded generation, transmission, and fuel-related assets. The utility also
21 needs to demonstrate that the ESA and its terms align with asset lives, any excess
22 generation at the end of the initial ESA term can be economically used to serve existing
23 customers or that adequate financial security will be in place to prevent other customers

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1 from having to pay for unneeded generation, and, finally, how partial load reductions are
2 mitigated. Mr. Finn addresses the ESA, its terms (including the minimum bill component),
3 and how those terms help guard against the risk of stranded assets. Mr. Sharp addresses
4 the Company's long-term supply plan, why the Capacity Agreement is needed, and why
5 the new generator is necessary to reliably serve the Company's customers, as well as to
6 satisfy the Company's MISO resource adequacy and Commission-enforced minimum
7 capacity obligations. Mr. Breedlove addresses the Company's existing generation fleet,
8 planned unit retirements, and various uncertainties and risks that the Company must
9 consider as it relates to long-term planning of its generation fleet and the need for new
10 resources including the proposed new CCGT generator. Mr. Sipowicz addresses the
11 Customer's reimbursement of costs via CIAC payments and the various measures the
12 Company has taken to protect other customers and safeguard against early cancellation (or
13 default) during the initial 15-year term of the ESA. Finally, with respect to implications of
14 a partial load reduction, were that to occur, Mr. Finn discusses the ESA, the Large Power
15 Service ("LPS") rate schedule, potential billing impacts, and how a partial load reduction
16 scenario was considered in the RIM Test modeling, which demonstrates that other
17 customers will not be adversely affected.

18 **Q27. PLEASE DESCRIBE HOW THE COMPANY HAS ADDRESSED SECTION V OF**
19 **THE NON-BINDING GUIDELINES.**

20 **A.** Section V covers "Rate Design & Cost Recovery," which is similar to Section IV. Per
21 Section V, the utility must demonstrate that the rates and other financial terms (*e.g.*, in the
22 ESA and related agreements) recover the full incremental revenue requirement of all
23 generation, transmission, and ancillary assets needed to serve the load, avoid any cross-

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1 subsidization by other customers, and ensure that other customers will not be adversely
2 affected by an early termination. Mr. Finn addresses the RIM Test performed by the
3 Company and the scenarios that were modeled, each of which demonstrates that other
4 customers will not be adversely affected. Mr. Sipowicz addresses how early termination
5 or default would be handled under the ESA and the financial safeguards and significant
6 risk mitigation measures that the Company has put in place to help protect other customers,
7 should an early termination or default occur, including a parental guarantee.

8 **Q28. PLEASE DESCRIBE HOW THE COMPANY HAS ADDRESSED SECTION VI OF**
9 **THE NON-BINDING GUIDELINES.**

10 **A.** Section VI covers “Operational Control & Curtailment” and indicates that the utility needs
11 to demonstrate that it retains sufficient operational control to maintain system reliability
12 including a right to curtail the new, large load if judged by the utility to be necessary to
13 preserve system reliability. The utility must also demonstrate that any curtailment rights
14 (e.g., in the ESA and related agreements) are contractually enforceable, that priority of
15 service during emergencies is clearly defined, and that compensation for any curtailment
16 is pre-approved and transparent. Mr. Finn discusses the ESA in his testimony and explains
17 that the ESA does not contain any explicit curtailment rights. However, the Customer will
18 be subject to the Company’s Standard Terms and Conditions for Electric Service (“STC”),
19 which includes Paragraph (16) SERVICE INTERRUPTIONS.²⁷ Paragraph (16) includes
20 language regarding force majeure-type events and circumstances and states “[t]he
21 *Company shall not be liable for damages occasioned by interruptions of service when such*

²⁷ See: <https://www.cleco.com/docs/default-source/rates-and-fees/other-documents/july-2025/38-standard-terms-and-conditions-04-01-2025.pdf>.

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1 *interruptions are necessary to make repairs or changes in the Company's equipment and*
2 *facilities.”* Further, should circumstances arise in which customer load would need to be
3 curtailed to maintain system reliability due to an emergency or, for example, equipment
4 failure or loss of a generator, the Company does not envision the Customer being given
5 any priority status. It is also the Company’s understanding that the Customer will be
6 installing back-up generation on-site to address the risk of curtailment or other situations
7 that may arise that affect supply of power to their facility. Finally, as to the last element
8 of Section VI, the Company offers a Commission-approved tariff called Market Value
9 Demand Response (“MVDR”) that is available to customers taking service under the LPS
10 rate schedule and which could be utilized by the Customer if they were interested and
11 capable of providing a load reduction that meets MISO’s demand response requirements.

12 **Q29. PLEASE DESCRIBE HOW THE COMPANY HAS ADDRESSED SECTION VII**
13 **OF THE NON-BINDING GUIDELINES.**

14 **A.** Section VII covers “Ancillary Services & Power Quality” and indicates that the utility must
15 demonstrate that the new, large load will not adversely affect frequency, voltage, and/or
16 power quality. It further provides that, to the extent the utility (or MISO) identifies
17 potential concerns, those concerns have been mitigated at the load’s expense, meaning that
18 other customers are not financially affected. Mr. Finn addresses the ESA, which includes
19 various provisions that cover the Customer’s expected operational performance, load
20 fluctuations, and related matters. Mr. Thibodeaux addresses system reliability and the steps
21 the Company will be taking to ensure that frequency, voltage, and power quality are
22 maintained and that the Customer’s new load will not cause any negative impacts. Mr.
23 Thibodeaux also addresses recent concerns raised by the North American Electric

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1 Reliability Corporation (“NERC”) and how the Company plans to address any future
2 reliability standards or other requirements imposed by NERC that would affect Cleco
3 Power’s supply of power to the Customer’s data center.

4 **Q30. PLEASE DESCRIBE HOW THE COMPANY HAS ADDRESSED SECTION VIII**
5 **OF THE NON-BINDING GUIDELINES.**

6 **A.** Section VIII covers “Fuel Supply & Infrastructure Risk” and indicates that the utility must
7 demonstrate that supply arrangements are in place to provide fuel to any new generator
8 under peak and contingency conditions and that fuel deliverability risks are not shifted to
9 other customers. The utility must also address any incremental costs including pipeline
10 upgrades, firm transportation, and/or fuel storage. Mr. Breedlove addresses the anticipated
11 natural gas supply for the Company’s proposed new generator, the estimated related costs
12 should the Company need to construct new natural gas supply-related infrastructure, and
13 how the fuel supply infrastructure costs factor into the overall costs of constructing the new
14 CCGT generator, which is necessary to reliably serve the Company’s customers.

15 **Q31. PLEASE DESCRIBE HOW THE COMPANY HAS ADDRESSED SECTION IX OF**
16 **THE NON-BINDING GUIDELINES.**

17 **A.** Section IX covers “Load Ramp Management” and indicates that the utility needs to
18 demonstrate that the load ramp schedule is coordinated with resource and transmission
19 availability, includes enforceable milestones, and prevents interim reliability degradation.
20 Mr. Finn addresses the ESA and its terms including the load ramp schedule. Mr. Sharp
21 addresses the Company’s IRP and near-term supply plan including how the Capacity
22 Agreement is necessary to provide sufficient capacity for the Customer’s load and will
23 serve as a bridge while the Company constructs its proposed new generator, which is

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1 needed to serve the Company's customers including the Customer's data center. With
2 respect to grid impacts, Mr. Finn addresses the relevant terms of the ESA with the
3 Customer, and Mr. Thibodeaux addresses the steps the Company has taken to ensure that
4 the Customer's ramping load will not negatively affect local reliability or power quality.

5 **Q32. PLEASE DESCRIBE HOW THE COMPANY HAS ADDRESSED SECTION X OF**
6 **THE NON-BINDING GUIDELINES.**

7 **A.** Section X covers "Market & Planning Impacts" and indicates that the utility needs to
8 address the new, large load's potential impact on resource adequacy, the MISO capacity
9 market, long-term system planning, and potential impacts on energy markets and fuel
10 adjustment clause ("Schedule FA") rates. Mr. Sharp addresses resource adequacy issues
11 including the MISO Planning Reserve Auction ("PRA") and how the Company intends to
12 meet its MISO requirements as well as Commission minimum capacity obligations. Mr.
13 Sharp also addresses the Company's IRP, the need for the Capacity Agreement, the
14 rationale for the new CCGT generator, and long-term supply planning more broadly. Mr.
15 Finn addresses an analysis the Company performed to evaluate potential energy market
16 and Schedule FA impacts related to serving the Customer's load, how the results of that
17 analysis were considered in the RIM Test modeling that he performed, and, finally, how
18 the ESA includes certain provisions that help mitigate potential adverse energy market
19 impacts and the Schedule FA portion of future electric bills that all customers pay.

20 **Q33. PLEASE DESCRIBE HOW THE COMPANY HAS ADDRESSED SECTION XI OF**
21 **THE NON-BINDING GUIDELINES.**

22 **A.** Section XI covers "Environmental & Local Impacts" and indicates that the utility needs to
23 demonstrate that environmental and other local impacts associated with the utility serving

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1 the new, large load have been identified; and to the extent mitigation is required, a plan has
2 been developed, and compliance costs have been assigned appropriately. Mr. Breedlove
3 addresses the proposed new natural gas-fueled generator, the potential impacts on air and
4 water, mitigation plans, and permits and approvals needed to construct and operate the
5 generator. Mr. Breedlove also addresses the Company's existing generator fleet and
6 important U.S. EPA rules and requirements that create risks and uncertainties that
7 complicate the Company's planning efforts. Mr. Jenkins addresses the direct transmission
8 interconnection and related facilities that will be constructed by the Company to serve the
9 Customer's data center, any necessary permits, and how any potential environmental
10 impacts will be mitigated.

11 **Q34. PLEASE DESCRIBE HOW THE COMPANY HAS ADDRESSED SECTION XII**
12 **OF THE NON-BINDING GUIDELINES.**

13 **A.** Section XII covers "Ongoing Oversight" and indicates that the utility should propose some
14 type of reporting obligation that would address the load's compliance with contractual
15 requirements, actual versus forecasted load (and usage), supply resource and transmission
16 status, and cost recovery performance. As discussed further by Mr. Breedlove, the
17 Company is proposing to submit a quarterly construction monitoring report for the new
18 generator and any related transmission upgrades to the Commission. The Company is also
19 willing to provide a separate annual report to the Commission subject to confidentiality
20 provisions beginning mid-2027 and each year thereafter until one (1) year after the new
21 generator comes online, which would cover compliance with the ESA and its terms, the
22 Customer's actual versus forecasted load and energy usage, issues related to billing and
23 cost recovery, and any other issues or concerns related to the Project that the Company

1 would feel the need to bring to the Commission's attention; Mr. Finn describes this
2 proposed separate annual report.

3 **G. The Electric Utility Tariff Filings Order**

4 **Q35. PLEASE DESCRIBE THE ELECTRIC UTILITY TARIFF FILINGS ORDER AND**
5 **HOW IT APPLIES TO THE PROJECT.**

6 **A.** The Commission adopted rules regarding electric tariffs and site specific rate filings via
7 General Order 7/1/2019.²⁸ As it relates to this Application, Section 601 of Attachment A
8 specifies various requirements that must be met for the LPSC to consider approving a "Site
9 Specific Contract", as defined under the Tariff Filings Order. Under the 15-year ESA, the
10 Customer will be billed under Cleco Power's LPSC-approved Electric Tariff No. 7, Large
11 Power Service, along with applicable riders. However, there are two provisions in the ESA
12 with the Customer that differ from Cleco Power's approved LPS tariff and in combination
13 with the Tariff Filings Order arguably render the ESA and related agreements a Site
14 Specific Contract. I would note that a typical Site Specific Contract would feature a rate
15 that is unique to that customer and not simply a current LPSC-approved rate schedule with
16 a modification of a billing element and a term longer than 10 years, as is the case with the
17 ESA executed between the Company and the Customer. I would also note that there are
18 additional components within the ESA that are discussed further by Mr. Finn and Mr.
19 Sipowicz that relate to the Customer's responsibility for the costs of the Capacity
20 Agreement and other protections (e.g., ensuring certain wholesale power costs are not
21 adversely affected) that arguably could also render the ESA and its related agreements a

²⁸ LPSC General Order 7/1/2019 in Docket No. R-34738; *In re: Proceeding to Establish Rules Regarding Electric Utility Tariff Filings and Related Review, Including Site Specific Rate Filings (the "Tariff Filings Order")*; see Attachment A – Rules Regarding Electric Utility Tariff Filings and Related Review.

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1 “Site Specific Contract.” However, it is important to note that those protections are
2 designed not to lower the Customer’s bill but instead increase it under certain
3 circumstances.

4 In any event, the first change relates to [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 Second, the term of the ESA with the Customer is 15 years, which is consistent with the
13 LPS tariff requiring *at least* a 10-year ESA. However, Section 601(D) - Term of Site
14 Specific Contract in the Tariff Filings Order limits the term of a site-specific contract to a
15 “...term of no longer than 10 years and, upon expiration of the term, the Customer shall
16 no longer be eligible for the Site Specific Contract and shall then take Service under a
17 generally applicable Rate Schedule of the Electric Utility for which the Customer is
18 eligible.” As Mr. Finn discusses, the ESA includes an extension feature that the Customer
19 can utilize to renew the ESA after the initial 15-year term ends. The Company is seeking
20 in this Application a waiver of the 10-year limitation in the Tariff Filings Order and a pre-
21 approval such that the ESA can extend after its initial 15-year term without the Company
22 having to seek Commission approval for such an extension. These requests are entirely

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1 consistent with the parameters of the Lightning Amendment, and the public interest would
2 be served by the Commission granting them.

3 **Q36. HAS THE COMPANY MET THE REQUIREMENTS LAID OUT IN SECTION 601**
4 **OF THE ELECTRIC UTILITY TARIFF FILINGS ORDER?**

5 **A.** Yes, the Company has satisfied the Section 601 requirements. Later in my testimony, I
6 discuss in detail the public interest that is referenced in Section 601(C)(1). As far as how
7 the evidence provided by the Company satisfies 601(C)(4), Mr. Finn discusses a
8 comparative rate analysis performed by the Company, along with the results of the RIM
9 Test modeling demonstrating that other customers will not be adversely affected by Cleco
10 Power providing electricity to the Project (and indeed that other customers will benefit).
11 Mr. Finn also provides an affidavit from a representative of the Customer as Exhibit ATF-
12 9 (HSPM), which satisfies Paragraph 601(C)(5).

13 **Q37. PLEASE DESCRIBE HOW THE COMPANY'S FORMULA RATE PLAN ("FRP")**
14 **WILL BE APPLIED.**

15 **A.** In its recent rate case filing, the Company is proposing a new formula rate plan (the "2027
16 FRP"), as a successor to its current FRP framework.²⁹ My direct testimony in that
17 proceeding describes the 2027 FRP and its proposed features. In this proceeding, Ms.
18 McDowell discusses the Company's proposal to defer certain revenues from the ESA and
19 how those revenues will be treated in conjunction with the 2027 FRP, as well as other
20 accounting-related issues. Assuming the Company's as-filed rate case is approved and
21 new base rates take effect July 1, 2027, the 2027 FRP will be in place about the same time

²⁹ LPSC Docket No. U-_____ ; *In Re: Application of Cleco Power, LLC for (1) Implementation of Changes in Rates to be Effective July 1, 2027; (2) New 2027 Formula Rate Plan; and (3) Expedited Treatment* (the "2027 Rate Case"). Cleco Power filed its 2027 Rate Case with the Commission on June 23, 2026, and anticipates that it will be noticed in the Commission's next Official Bulletin on July 2, 2026.

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1 as the Customer begins taking service in mid-2027. The proposed 2027 FRP also has an
2 Additional Capacity Cost Recovery (“ACCR”) mechanism that would allow the Company
3 to make an interim FRP adjustment to reflect the estimated first-year revenue requirement
4 associated with eligible new capacity additions. Ms. McDowell discusses the estimated
5 revenue requirement associated with the proposed new generator.

6 **Q38. PLEASE SUMMARIZE THE COMPANY’S REQUEST AS IT RELATES TO THE**
7 **ELECTRIC UTILITY TARIFF FILINGS ORDER.**

8 **A.** The Company is requesting that the Commission approve the Site Specific Contract Cleco
9 Power has negotiated and executed with the Customer as memorialized in the ESA and the
10 related agreements, the 15-year term, and any extension of the ESA after the initial 15-year
11 term ends as being reasonable, necessary, and in the public interest.

12 **IV. ECONOMIC AND OTHER BENEFITS**

13 **Q39. PLEASE DESCRIBE THE ECONOMIC AND OTHER BENEFITS THAT THE**
14 **PROJECT WILL BRING TO THE REGION, LOUISIANA, AND THE U.S. MORE**
15 **BROADLY.**

16 **A.** First, the Customer plans to invest \$3.6 billion to construct its data center in Rapides Parish,
17 Louisiana.³⁰ The construction of the 430 MW data center began in January 2026 with site
18 clearing and preparation activities. The site is expected to have approximately 1,000
19 construction workers and related personnel at its peak. When the data center begins to
20 ramp up in mid-2027, it is expected to employ 200 full-time equivalent (“FTE”) employees
21 when fully staffed. There will also be more than 200 indirect jobs created related to the

³⁰ See: <https://www.opportunitylouisiana.gov/news/central-louisiana-secures-3-6-billion-applied-digital-ai-factory-campus>.

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1 construction and on-going operation of the data center at nearby businesses including
2 service providers, restaurants, and lodging.

3 Second, the Company will be constructing new transmission and distribution infrastructure
4 needed to serve the data center. Construction of these facilities is expected to take several
5 years and will employ construction labor and related personnel. The Company is also
6 proposing to construct a new, natural gas-fueled CCGT generator near the Customer's site
7 that is expected to come online as early as 2032. As discussed further by Mr. Breedlove,
8 building the new generator and associated infrastructure is expected to cost [REDACTED]

9 [REDACTED] and will take several years once construction
10 commences. During its construction, roughly 700 workers will be employed at peak, which
11 will have positive spillover effects for local businesses. After construction is complete, the
12 new generation facility is expected to directly employ 27 FTEs with eight (8) additional
13 support positions, which is similar to the level of full-time equivalent employment at the
14 Company's Acadia and Coughlin CCGT power plants.

15 Third, from a tax perspective, there will be new state and federal labor taxes collected that
16 are tied to payrolls for temporary construction jobs, permanent jobs at the data center and
17 at the Company's generation plant, and new jobs created at local businesses. There will
18 also be higher local and state sales tax collections, although certain equipment purchases
19 or leases may be exempt from local and state sales and use taxes.³¹ The significant capital
20 investment in the data center, transmission infrastructure needed to interconnect the
21 facility, and the Company's new generation facility will contribute to local property taxes,
22 helping to fund government services including public schools.

³¹ See e.g., Act No. 730 enacted in the Louisiana Legislature's 2027 Regular Session.

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1 Finally, attracting a new hyperscale data center to Louisiana is consistent with the State of
2 Louisiana's economic development objectives and its Lightning Speed initiative.³² The
3 Company's proposal to construct a new gas-fueled generator to serve the Customer and the
4 Company's other customers as well as address aging generators facing retirement is
5 consistent with Governor Landry's Whole-of-Louisiana Energy Strategy.³³ Building new
6 data centers for artificial intelligence ("AI") and other uses is also consistent with current
7 federal priorities. For example, President Trump issued an Executive Order on July 23,
8 2025, entitled "Accelerating Federal Permitting of Data Center Infrastructure" that states:³⁴

9 *"We will pursue bold, large-scale industrial plans to vault the United States*
10 *further into the lead on critical manufacturing processes and technologies*
11 *that are essential to national security, economic prosperity, and scientific*
12 *leadership. These plans include artificial intelligence (AI) data centers and*
13 *infrastructure that powers them, including high-voltage transmission lines*
14 *and other equipment. It will be a priority of my Administration to facilitate*
15 *the rapid and efficient buildout of this infrastructure by easing Federal*
16 *regulatory burdens."*

17 While the referenced Executive Order primarily addresses use of federal lands and related
18 matters, it nonetheless is indicative of federal priorities, which support the Customer's data
19 center as well as the Company's plans to invest in new transmission and generation
20 infrastructure.

21 **Q40. DID THE COMPANY PERFORM ANY ANALYSIS TO MODEL THE DIRECT**
22 **AND INDIRECT ECONOMIC BENEFITS YOU DESCRIBE?**

23 **A.** No. While it would be possible to model the job creation and related economic benefits
24 the data center and the Company's proposed transmission and generation infrastructure

³² See: <https://www.opportunitylouisiana.gov/data-center>.

³³ See: <https://www.dce.louisiana.gov/assets/Other/Energy-Strategy/LED-State-Energy-Strategy-2026.pdf>.

³⁴ See: <https://www.whitehouse.gov/presidential-actions/2025/07/accelerating-federal-permitting-of-data-center-infrastructure/>.

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1 investments will provide using a tool such as IMPLAN,³⁵ the Company does not believe
2 such an exercise is necessary, or a prudent use of its limited resources. The Company does
3 not have access to the IMPLAN model (or a similar model) and either procuring a software
4 license or hiring an expert to perform economic benefit modeling for the Company would
5 require employee time and/or expenditures that the Company does not believe are
6 necessary to demonstrate that the many benefits identified above will in fact come to
7 fruition.

8 **Q41. IS THE COMPANY'S APPLICATION AND THE TERMS OF THE ESA**
9 **CONSISTENT WITH THE VOLUNTARY "RATEPAYER PROTECTION**
10 **PLEDGE" ISSUED BY THE ADMINISTRATION ON MARCH 4, 2026?**

11 **A.** Yes. The voluntary "Ratepayer Protection Pledge"³⁶ was signed by seven (7) companies
12 that are pursuing hyperscale data centers in the U.S. The voluntary pledge has five (5)
13 criteria; based on my review of them, the Company's Application, as well as the terms of
14 the ESA, are consistent with the criteria. For criteria 1-3, the Customer has entered into a
15 15-year ESA with Cleco Power that ensures the Customer pays for the direct
16 interconnection costs, the costs of the Capacity Agreement, provides revenue that will help
17 offset a substantial amount of the costs of the new generator, and includes a minimum bill
18 feature tied to the LPS rate schedule that provides significant revenue each month even if
19 the data center is not using electricity. With respect to criteria 4, the Customer and Cleco
20 Power will be investing billions of dollars, respectively, in the local community and will
21 hire more than 1,000 construction workers during the peak of construction activity to build,

³⁵ See: <https://implan.com/cloud/>.

³⁶ See: <https://www.whitehouse.gov/releases/2026/03/ratepayer-protection-pledge/>.

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1 as well as full-time workers to staff, their respective operations. With respect to criteria 5,
2 I noted above that Cleco Power has an available option called MVDR that the Customer
3 may be able to participate in with its back-up generators, assuming they are eligible to
4 participate as demand response resources in MISO's wholesale market.

5 **Q42. ARE YOU AWARE OF THE GOVERNOR'S RECENT EXECUTIVE ORDER**
6 **NUMBER 26-058?**

7 **A.** Yes, I am aware that Governor Landry issued Executive Order Number 26-058 on June 25,
8 2026. Based on reading it, my understanding is that Louisiana Economic Development
9 ("LED") will be responsible for developing new criteria and a framework working with
10 other agencies including the LPSC and proposing something within 60 days. My
11 impression is that the criteria and framework will be oriented around Louisiana's tax and
12 economic development incentive policies and could require companies seeking such
13 incentives to meet certain, to-be-determined requirements. The Company will monitor this
14 new development as it progresses to determine what, if any, effect it could have on this
15 Application.

16 **V. THE COMPANY'S APPLICATION IS IN THE PUBLIC INTEREST**

17 **Q43. BEFORE YOU EXPLAIN WHY THE COMPANY'S APPLICATION IS IN THE**
18 **PUBLIC INTEREST AND SHOULD BE APPROVED AS SUCH, PLEASE**
19 **DESCRIBE THE TERM "PUBLIC INTEREST" AS YOU UNDERSTAND IT.**

20 **A.** The public interest is that which is thought to be positive or beneficial to society as a whole.
21 It can also be thought of that which is believed to serve the "common good."³⁷ Reliable
22 and affordable electric service is a necessity of modern life. Electric utilities and the

³⁷ See e.g., <https://www.scu.edu/ethics/ethics-resources/ethical-decision-making/the-common-good/>.

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1 reliable and affordable electricity that they provide continuously to homes, businesses,
2 industrial facilities, and governmental entities for services such as water treatment and road
3 lighting, are indispensable. As such, electric utilities have a profound impact on the public
4 interest. A regulated public electric utility like Cleco Power and the reliable and affordable
5 service that it provides around the clock affects the level of economic activity and the
6 overall well-being of the individuals, businesses, and factories that reside within its
7 footprint.

8 To my knowledge, there is no simple standard or universally-accepted definition of the
9 public interest that can be applied to a particular decision or policy. I am also not aware
10 that the Commission has specifically defined the term as it relates to its decision-making
11 in proceedings such as this one. At times, the term “net benefit,” which typically means
12 the positive result of a cost-benefit test will be used instead, which substitutes a quantitative
13 result for a qualitative term that lacks a single, simple definition.

14 In this case, I believe the Commission must make its decision based on a holistic
15 consideration that accounts for all the facts and circumstances involved. And further, the
16 Commission’s decision should be made on a balancing-of-interests standard as described
17 by the U.S. Supreme Court in the *Federal Power Commission v. Hope Natural Gas*
18 *Company* decision.³⁸ In that landmark case, the U.S. Supreme Court determined that if a
19 regulatory body’s decision reflects a reasonable balancing of customer and investor
20 interests, the decision should be affirmed as just and reasonable and, by extension, would
21 be in the public interest.

³⁸ See: 320 U.S. 591, 660 (1944).

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1 I would note also that the public interest is not served by a regulator pursuing a single-
2 minded objective such as, for example, minimizing customer rates or pursuing a public
3 policy if meeting the objective adversely affects customers. For example, if lower rates
4 were to be achieved through less reliable service, poor power quality, or significantly
5 lengthened restoration times after a severe weather event, consumers and other
6 stakeholders would likely perceive that lower rates have not produced net benefits for them
7 and, thus, are not in the public interest. Likewise, higher rates may not trigger negative net
8 benefits (or detriments) depending on the circumstances. If a utility adding a resource that
9 is necessary and that provides additional reliability, fuel savings, and helps mitigate future
10 risk happens to result in the need to charge a higher rate to recover its prudently incurred
11 costs, then the resulting higher rate may well be in the public interest. The Louisiana
12 Supreme Court reached that conclusion in *City of Plaquemine v. Louisiana Public Service*
13 *Commission* when it found that:

14 *“The entire regulatory scheme, including increases as well as decreases in*
15 *rates, is indeed in the public interest, designed to assure the furnishing of*
16 *adequate service to all public utility patrons at the lowest reasonable rates*
17 *consistent with the interest both of the public and of the utilities.*

18
19 *Thus the public interest necessity in utility regulation is not offended, but*
20 *rather served by reasonable and proper rate increases notwithstanding that*
21 *an immediate and incidental effect of any increase is improvement in the*
22 *economic condition of the regulated utility company.”³⁹*

23 Determining whether a decision is “in the public interest” requires the Commission to
24 subjectively balance the various near- and long-term effects of the course of action
25 requested by the Company in this Application. Whether a particular course of action is in
26 the public interest depends on factors that are quantifiable, such as the forecasted level of

³⁹ See: 282 So. 2d 440 (1973) at pp. 442-43.

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1 revenue the Customer's electricity usage will generate and the results of the RIM Test
2 modeling performed by the Company, as well as upon other factors that are not readily
3 quantifiable, including what might occur if the Commission were to delay its decision-
4 making or approve parts of the Application on a piecemeal basis. Through the testimony
5 and exhibits of witnesses and the facts, analysis, and opinions each of them provides, the
6 Company has submitted quantifiable and qualitative evidence to support the Commission
7 approving the Application. However, only the Commission can reach a decision as to
8 whether the Company's Application and the requests included therein is in the public
9 interest.

10 **Q44. IN THE COMPANY'S OPINION, ARE THE REQUESTS INCLUDED IN THE**
11 **APPLICATION IN THE PUBLIC INTEREST?**

12 **A.** Yes.

13 **Q45. WHAT IS THE BASIS FOR THAT OPINION?**

14 **A.** I base that opinion on multiple factors including the testimony and exhibits offered by me
15 and the Company's other witnesses; the various protections and billing provisions afforded
16 by the 15-year ESA and the associated economic and other benefits other customers will
17 experience; the ability to timely and reasonably meet the Company's demonstrated need
18 for new capacity to reliably serve the Company's customers during the term of the ESA
19 and beyond; the reliability and other benefits that customers are expected to receive both
20 in the near-term and over the long-term with the construction of new generation
21 infrastructure; the ability for new resources to help address future load growth and mitigate
22 risks associated with the Company's aging generation fleet; conformance with the
23 Commission's applicable General Orders and policies including its new Lightning

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1 Amendment and the Staff's related non-binding guidelines; and the significant economic
2 and other benefits that the Customer's and the Company's respective investments will
3 provide to the region, Louisiana, and the U.S. more broadly.

4 **Q46. DO THE TERMS OF THE ESA AND RELATED AGREEMENTS SUPPORT THE**
5 **COMMISSION FINDING THE APPLICATION TO BE IN THE PUBLIC**
6 **INTEREST?**

7 **A.** Yes. The 15-year ESA constituting the Site Specific Contract, together with the related
8 agreements that provide credit support for the ESA, are reasonable in that they balance the
9 Customer's need for certainty while protecting existing customers and helping ensure that
10 those customers are not unfairly burdened by costs that they should otherwise not bear
11 (e.g., the investment in transmission infrastructure needed to directly interconnect the data
12 center that will be covered by CIAC payments). Rather, the revenues that the Customer
13 will generate will benefit customers by helping to cover fixed costs as well as costs related
14 to grid resiliency investments and securitized costs related to decommissioning the Dolet
15 Hills plant and storms. In the absence of serving the Customer's data center, existing
16 customers would pay a larger share of those costs. Mr. Finn quantifies those economic
17 benefits in his direct testimony and performed RIM Test modeling required by the
18 Commission that show other customers are not adversely affected. On the contrary, the
19 results of the RIM Test modeling discussed by Mr. Finn demonstrates that other customers
20 should benefit.

21 **Q47. DO THE TERMS OF THE ESA HELP PROTECT CLECO POWER'S FINANCIAL**
22 **CONDITION AND, BY EXTENSION, PROTECT OTHER CUSTOMERS?**

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1 **A.** Yes. Mr. Sipowicz addresses anticipated cash flows relative to the Company's anticipated
2 construction costs, current and expected financial metrics, credit risk mitigation including
3 a parental guarantee, what would occur should the Customer terminate the ESA before its
4 15-year initial term ends, and the notice time for non-renewal of the ESA. As I noted
5 above, the ESA also includes certain provisions that ensure the Customer's data center does
6 not adversely affect local reliability or power quality. While these provisions are not
7 financial in nature, they do illustrate the many steps the Company has taken to ensure that
8 other customers will not be adversely affected.

9 **Q48. IS THE CAPACITY AGREEMENT REASONABLE, NECESSARY, AND IN THE**
10 **PUBLIC INTEREST?**

11 **A.** Yes. As discussed by Mr. Sharp, in the absence of the Capacity Agreement, the Company
12 is projected to be short capacity for the MISO PRA. Were that to occur, the Company and
13 its other customers would be exposed to significant risk. The Company would also likely
14 not be in conformance with the Commission's MCO General Order requirements.
15 However, as discussed by Mr. Finn and Mr. Sipowicz, under the terms of the ESA, the
16 Customer will reimburse the Company for 100% of the costs incurred for the full duration
17 of the Capacity Agreement. As such, the Commission should find that the Capacity
18 Agreement is reasonable, necessary, and in the public interest.

19 **Q49. IS THE PROPOSED NEW GENERATOR AND THE ESTIMATED COSTS AND**
20 **TIMELINE ASSOCIATED WITH IT REASONABLE, NECESSARY, AND IN THE**
21 **PUBLIC INTEREST?**

22 **A.** Yes. Mr. Sharp discusses the Company's long-term IRP process, the Interim IRP filed by
23 the Company last year, and the current IRP cycle, which is anticipated to also show a need

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1 for new generation capacity to meet load growth, including the new load associated with
2 the Customer's data center. Mr. Sharp also addresses whether other alternatives are viable
3 from a technical and cost perspective to serve the Company's near- and long-term needs.
4 Mr. Breedlove discusses the Company's generation fleet in detail, including the anticipated
5 retirement of certain aging units, the significant risks faced by the Company given the
6 advanced age of multiple generators, and U.S. EPA rules and requirements that create risks
7 and uncertainty as far as planning and that are also likely to significantly affect the
8 operations and possibly the long-term viability of several solid fuel generators. Mr.
9 Breedlove also discusses the Company's proposal to construct a new CCGT, the location
10 that was selected, and the process the Company has undertaken to secure the information
11 and commitments from key suppliers to secure the necessary permits, begin construction,
12 and to bring the new generator online as early as 2032. Finally, Mr. Long addresses the
13 current state of the market and the challenges the Company and others are facing to secure
14 firm pricing and schedules from OEMs, schedule and key milestone uncertainty, the
15 various commitments necessary to move forward with constructing a new generator, and
16 the significant and, frankly, unprecedented level of cost the Company must incur to proceed
17 further, which render a formal market test under the MBM Order unrealistic.

18 While the Company has provided detailed information, data, and estimates in conformance
19 with the 1983 General Order and other relevant LPSC General Orders that support its
20 proposed new generator, there are important milestones that must still be achieved. For
21 example, the Company is in the process of selecting a turbine OEM, which, as discussed
22 further by Mr. Breedlove and Mr. Long, is necessary to perform detailed engineering work.

23 It is my understanding that the Company plans to make the turbine OEM selection in the

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1 coming months along with executing a reservation agreement. The Company has also not
2 determined whether it will select a single EPC contractor or use another approach. As Mr.
3 Breedlove and Mr. Long both discuss further, the Company must retain flexibility in its
4 decision-making given how different the market is today versus the very recent past.

5 Given the totality of the evidence and data presented, the facts provided by the Company's
6 witnesses and the opinions they express, the Company believes that the estimated costs,
7 timeline, and steps the Company is taking to construct the new CCGT generator are
8 reasonable, the proposed new generator is necessary to fulfill the Company's obligation to
9 provide reliable service, and that the Commission should find constructing the new CCGT
10 generator to be in the public interest.

11 **Q50. EARLIER YOU DESCRIBED ECONOMIC AND RELATED BENEFITS THAT**
12 **ARE EXPECTED TO ARISE FROM JOB CREATION AND NEW TAXES. WHY**
13 **DO THOSE BENEFITS SUPPORT THE COMMISSION FINDING THE**
14 **APPLICATION TO BE IN THE PUBLIC INTEREST?**

15 **A.** While the Commission's central role is to regulate public utilities and other common
16 carriers and ensure that the rates those entities charge for the services they provide are just
17 and reasonable, the Commission's decision-making does affect economic development in
18 the State of Louisiana. More directly, the Commission's decisions affect the well-being of
19 those that live in proximity to investments that utilities make to reliably and affordably
20 serve customers. In this case, the Customer will be investing \$3.6 billion in its new data
21 center. Assuming satisfactory Commission approval, the Company will also be investing
22 in a new CCGT generator, constructing an associated substation, along with building
23 transmission and distribution infrastructure needed to reliably serve the Customer.

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1 Combined, these investments and the direct and indirect jobs that result will significantly
2 benefit central Louisiana and the state more broadly through higher payroll, property, and
3 other taxes. I believe those economic benefits help support the Commission finding the
4 Application to be in the public interest.

5 **Q51. YOU USED THE TERM “PIECEMEAL” ABOVE. WHAT DOES THE TERM**
6 **MEAN AND WHY IS IT IMPORTANT FOR THE COMMISSION TO AVOID**
7 **PIECEMEAL DECISION-MAKING IN THIS PROCEEDING?**

8 **A.** Merriam-Webster defines “piecemeal” as “(1) *one piece at a time: gradually; (2) in pieces*
9 *or fragments: apart.*”⁴⁰ The Company’s Application features multiple components
10 including a Site Specific Contract; proposed accounting treatment necessary to address the
11 unique circumstances that are presented; transmission infrastructure needed to interconnect
12 the site that will paid for by the Customer via CIAC payments; an agreement to secure
13 capacity that will also be fully paid for by the Customer; a new gas-fueled generator to be
14 constructed in the vicinity of the data center that is necessary to meet the load and energy
15 needs of the Company’s customers; and a myriad of related requests for Commission
16 approvals, waivers, or exemptions all of which are integral, reasonable, necessary, and
17 should be found by the Commission to be in the public interest. In other words, although
18 there are multiple facets to the Company’s Application, the most appropriate way is for the
19 Commission to view it is as a “package” where all elements are required.

20 Within the context of this proceeding, a piecemeal approach would be for the Commission
21 to approve some portion of the Application, but not the entirety of the Company’s request.
22 For example, assume the Commission were to approve the Site Specific Contract and the

⁴⁰ See: <https://www.merriam-webster.com/dictionary/piecemeal>.

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1 direct transmission interconnection, but nothing else at this time leaving crucial decisions
2 regarding capacity and power supply to a subsequent phase. Such a decision would be
3 piecemeal and would leave the Company and its customers exposed to significant risk as
4 to how the Customer could be reliably served in the near- and long-term. Such a decision
5 would also jeopardize the Capacity Agreement given the need for timely approval. Further,
6 such a piecemeal decision would affect the ESA itself and could, depending on how things
7 play out, even jeopardize the Customer's project and lead to its cancelation or potentially
8 for the Customer to pursue some other option such as self-generation.

9 **Q52. IS THERE PRECEDENT FOR A HYPERSCALE DATA CENTER USING ON-**
10 **SITE GENERATION AS A NEAR-TERM SOLUTION TO OBTAIN ITS POWER**
11 **SUPPLY?**

12 **A.** Yes. In just one example, a hyperscaler operates a large data center in the Memphis,
13 Tennessee area as well as a new data center complex in nearby Southaven, Mississippi with
14 two buildings that straddle the state line.⁴¹ Both of the data centers appear to utilize
15 multiple gas-fueled generators, which, at least in the case of the Memphis data center,
16 appear to have been intended to operate on a temporary basis and have triggered complaints
17 and even some lawsuits. Further, the data center site located on the Mississippi-Tennessee
18 state line will apparently also have multiple gas turbines to provide its power supply.⁴²

19 **Q53. PLEASE DESCRIBE THE POTENTIAL ADVERSE CONSEQUENCES THAT**
20 **WOULD RESULT IF A POTENTIAL LARGE NEW CUSTOMER WERE TO**

⁴¹ See e.g., <https://www.cnn.com/2026/04/14/elon-musk-xai-memphis-data-centers.html>.

⁴² See e.g., <https://www.wired.com/story/xai-adds-19-new-gas-turbines-despite-ongoing-lawsuit/>.

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**PURSUE A SELF-SUPPLY OPTION IN LIEU OF BUYING ELECTRICITY
FROM A REGULATED UTILITY.**

A. There are two main adverse consequences that would result if the Customer were to supply its own power. First, as Mr. Finn discusses, the revenues received from the Customer over the term of the ESA will contribute to covering the Company's fixed infrastructure costs, including helping to cover a substantial share of the costs of the proposed new generator. The RIM Test modeling that Mr. Finn performed demonstrates that other customers will benefit from Cleco Power selling electricity to the Customer under the terms of the ESA. In the absence of the revenues received from the Customer, Cleco Power's other customers would incur higher costs from rates that would, for example, reflect the entire cost of the proposed new generator once it enters service rather than just a share of those costs. Second, as Mr. Finn explains, the Customer will pay the LPS rate, albeit with a slight modification, which is a standard base rate. There are several riders that currently apply to LPS. Mr. Finn discusses the estimates the Company has made that the Customer will pay more than \$100 million towards these riders over the course of the ESA. Other customers will directly benefit from the revenues from the Customer that directly contribute to those riders that, in turn, will lower the rates paid by all other customers.

**Q54. ARE THERE RISKS INVOLVED WITH CLECO POWER SERVING THE
CUSTOMER'S DATA CENTER?**

A. Yes. Any time a public electric utility with an obligation to serve begins to provide electricity to a new customer, there are inherent risks. Those risks include, for example, constructing new infrastructure to serve the new customer with the expectation that the customer will take service long into the foreseeable future and pay for that service

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1 accordingly under approved rates. In this instance, the Customer represents a new load of
2 430 MW, a significant increase in Cleco Power's peak load and, depending on the
3 Customer's operations, a large increase in Cleco Power's annual energy (MWh) sales. The
4 Company plans to construct new transmission and distribution infrastructure to
5 interconnect and serve the data center, where risk is mitigated by the fact that the Customer
6 will make upfront CIAC payments to cover those costs. Similarly, the Customer has agreed
7 to cover 100% of the costs of the Capacity Agreement. There are also terms in the ESA
8 that ensure the Company receives sufficient revenue each month such that the RIM Test
9 modeling that Mr. Finn covers in his testimony indicate other customers will not be
10 adversely affected.

11 All of that said, there is the inherent risk that the Customer terminates the ESA early, or
12 even defaults. Mr. Sipowicz addresses those risks and the various steps the Company has
13 taken to protect other customers and itself should an early termination or default occur.
14 There is also the chance that the Customer chooses not to renew the ESA and decides to
15 terminate service after the initial 15-year term ends. Mr. Sharp addresses the Company's
16 current IRP and long-term planning and how the new generator is needed to serve
17 customers especially in light of aging generators that are likely to be retired in the coming
18 years. Mr. Breedlove also addresses this issue in more detail in his direct testimony.

19 **Q55. IS THERE ANY RISK THAT THE CUSTOMER'S LOAD WILL FLUCTUATE**
20 **AND POTENTIALLY CAUSE LOCAL RELIABILITY OR POWER QUALITY**
21 **ISSUES THAT WOULD AFFECT OTHER CUSTOMERS?**

22 **A.** Yes, that could happen. However, as noted above and discussed further by Mr. Finn, there
23 is language in the ESA that addresses load fluctuations, power factor, and operations of the

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Customer's back-up generators. Additionally, the Company's standard terms covered under Rate Schedule STC includes the following language: "[t]he Customer shall not use the service furnished in any manner that interferes with the provision of proper service to the Company's other Customers."⁴³

Q56. ARE THERE RISKS THAT THE COMPANY MAY HAVE EXCESS CAPACITY DURING THE INITIAL TERM OF THE ESA WHILE THE CAPACITY AGREEMENT IS IN PLACE?

A. Yes, that is possible. Mr. Sharp discusses the Capacity Agreement, while Mr. Finn and Mr. Sipowicz address the provisions of the ESA that require the Customer to cover all Capacity Agreement costs.

Q57. ARE THERE RISKS THAT SERVING THE CUSTOMER'S DATA CENTER LOAD WILL INCREASE THE COMPANY'S WHOLESALE PURCHASED POWER COSTS AND, CONSEQUENTLY, ADVERSELY AFFECT SCHEDULE FA RATES?

A. Yes, that is possible. Mr. Finn and Mr. Sipowicz each discuss the provisions of the ESA, including a provision that addresses that potential circumstance.

Q58. WHAT STEPS HAS THE COMPANY TAKEN TO MITIGATE THE RISK THAT THE SCHEDULE FA RATES MIGHT INCREASE?

A. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

⁴³ Rate Schedule STC at p. 38.3.

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1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 **Q59. IS THERE A RISK THAT THE ULTIMATE COST OF THE NEW GENERATOR**
6 **ENDS UP BEING HIGHER THAN THE CURRENT ESTIMATE IN THIS**
7 **APPLICATION?**

8 **A.** Yes. As Mr. Breedlove and Mr. Long describe further, the Company believes that its
9 current estimate is reasonable. Mr. Breedlove and Mr. Long also describe the various steps
10 the Company is taking to get a more refined cost estimate and timeline. Mr. Long addresses
11 the current market and the unprecedented circumstances that exist for getting firm pricing
12 and commitments from equipment OEMs, EPC contractors, and other vendors. Given
13 those circumstances, it is possible that the ultimate cost of the proposed new generator
14 when it reaches commercial operations will be higher. [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]

18 **Q60. ARE THERE RISKS IF THE COMMISSION DECIDES TO APPROVE ONE OR**
19 **MORE FACETS OF THE APPLICATION IN A PIECEMEAL FASHION AND**
20 **DEFERS MAKING A DECISION ON ANOTHER FACET?**

21 **A.** Yes. Above I discuss the risk and some of the potential harms that could occur if the
22 Commission were to approve only certain facets of the Application and defer its decision-
23 making on one or more other facets, such as certifying the Capacity Agreement, which

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1 could cause that resource to no longer be available to Cleco Power for MISO's PRA and
2 the Commission's MCO requirements. In turn, such an outcome could have repercussions
3 on the ESA with the Customer and whether the Customer might seek out alternative power
4 supply options. Another significant risk would be for the Commission to require the
5 proposed new generator to go through a formal RFP process.

6 **Q61. PLEASE ADDRESS THE RISKS AND POTENTIAL HARMS THAT MAY**
7 **RESULT FROM THE COMPANY BEING REQUIRED TO CONDUCT AN RFP**
8 **TO MARKET TEST ITS PROPOSED NEW GENERATOR.**

9 **A.** First, the Company would require additional time and expense to gather the necessary data
10 and information to submit an executable self-build proposal. In the recent past, such an
11 effort might have taken the Company a few months and involved total costs in the range
12 of [REDACTED]. Mr. Breedlove discusses the Owner's Engineer retained by the Company
13 to assist them through the process. However, as discussed further by Mr. Breedlove and
14 Mr. Long, it is simply not possible today to gather the same level of data, information, and
15 firm commitments from potential OEMs, other suppliers, and EPCs without incurring (1)
16 significantly higher costs and (2) having to make irrevocable decisions and binding
17 commitments that reduce flexibility and leverage. Mr. Long describes the current
18 environment, which he notes is unprecedented, and how the time and effort involved with
19 refining a cost estimate for a new generator has increased substantially. Further, he
20 describes how the costs involved and the commitments that must be made to develop a
21 Class 3 cost estimate that would typically be needed for an RFP have materially changed.
22 Mr. Long also explains that the costs involved (primarily from the non-refundable deposits

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1 and binding commitments that must be made with OEMs, other suppliers, and EPCs) could
2 be in the range of [REDACTED].

3 Second, conducting an RFP once a self-build proposal is available takes a significant
4 amount of time and effort. Under the MBM Order, the following steps would be involved:

- 5 • The Company would notify the Commission;
- 6 • The Commission would provide notice in its Bulletin and conduct its own RFP to
7 hire a consultant to oversee the process;
- 8 • The Company would separately hire an Independent Monitor ("IM") to also oversee
9 the process;
- 10 • Draft RFP documents would be developed;
- 11 • The Staff's consultant and potential bidders would provide comments on the draft
12 RFP documents;
- 13 • A Bidder's Conference would be held;
- 14 • A process would be established to respond to bidders' questions;
- 15 • A web portal would be set up for bidders to use to submit proposals;
- 16 • Proposals would be submitted;
- 17 • Various teams would be set up within the Company that were not involved in
18 development of the self-build proposal to perform various economic, viability, and
19 other evaluations of proposals;
- 20 • One or more selections could eventually be made;
- 21 • If a third-party proposal were selected, negotiations would ensue to reach a
22 commercial agreement – based on my experience, such negotiations often take
23 many months to complete;
- 24 • Whether the self-build project or a third-party proposal were selected, the Company
25 would prepare an application for certification to submit to the Commission under
26 the 1983 General Order;
- 27 • Depending on the circumstances, the intervenors involved, and the positions taken
28 by the Commission Staff and intervenors, a fully litigated certification process
29 would likely take 9-12 months to reach a Commission vote.

30 All told, the process I just walked through could take up to two years, if not longer. And
31 based on the current environment and the perspectives offered by Mr. Long, it is not at all

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1 clear that an RFP would attract any proposals – much less economically attractive ones that
2 could be compared against the Company’s proposed generator. Further, as noted above,
3 the Company would have prudently incurred [REDACTED] to submit its self-build
4 proposal into the RFP. If the Company were to select a third-party proposal, those
5 prudently incurred costs would need a pathway to be recovered in rates. Finally, if the
6 Company’s self-build proposal were selected through the RFP and ultimately certified by
7 the Commission, at least another year, if not more, could pass before the new generator
8 entered service, as compared to certification in this proceeding. As Mr. Breedlove
9 explains, this delay increases the risk that one or more existing generators may be
10 unavailable, thereby exposing the Company and its customers to significant reliability and
11 economic risk.

12 **Q62. IF THE COMMISSION WERE TO REQUIRE AN RFP TO MARKET TEST THE**
13 **PROPOSED NEW GENERATOR, WHAT ASSURANCE AND PROTECTIONS**
14 **WOULD THE COMPANY NEED?**

15 **A.** Simply put, the Company would need assurance in the Commission order resulting from
16 this proceeding that any prudently incurred costs necessary for the Company to develop a
17 self-build proposal and conduct the RFP would be recoverable from customers regardless
18 of the outcome of the RFP. Meaning, if the Company were required to conduct an RFP
19 under the normal MBM Order process described above and a third-party proposal was
20 selected instead of the Company’s self-build proposal, the Commission would allow the
21 Company to recover its prudently incurred costs as a regulatory asset with a full return and
22 amortize that regulatory asset over a reasonable timeframe.

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Q63. WHAT STANDARD DOES THE COMMISSION RELY UPON WHEN EVALUATING A UTILITY'S DECISION OR COURSE OF ACTION?

A. The Commission has historically relied upon the prudent investment rule, which considers prudence in the context of a utility's decision-making based on facts and circumstances known at the time a decision is made. In other words, if a utility's management makes a reasonable decision given information known at the time the decision is made, the utility's actions would be considered prudent, and any related costs should be recoverable from customers even if circumstances later change. An example would be a utility that prudently undertakes the development and construction of a capital project, but later, as circumstances change, determines that the prudent course of action is to delay, reevaluate, or even cancel the project. Other jurisdictions in the U.S. may employ different standards including relying upon the "used and useful" principle in determining how to address whether a cost is eligible to be recovered from customers when a project is cancelled.

Q64. IS THERE PRECEDENT FOR THE COMMISSION TO ALLOW A UTILITY TO RECOVER PRUDENTLY INCURRED COSTS FOR A SELF-BUILD GENERATOR THAT DID NOT END UP GETTING BUILT?

A. Yes. In LPSC Docket No. U-30192 Phase III, the Commission considered a request made by ELL to cancel its Little Gypsy 3 repowering project,⁴⁴ which had been previously approved by the Commission.⁴⁵ Shortly after approval was granted, ELL began filing quarterly monitoring reports informing the Commission and other parties of construction progress, costs incurred to-date, and related matters.

⁴⁴ LPSC Docket No. U-30192 Phase III; *Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generation Facility and For Authority to Commence Construction and for Certain Cost Protection and cost Recovery.*

⁴⁵ LPSC Order No. U-30192 dated March 19, 2008.

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1 After circumstances changed dramatically in the aftermath of the 2008 financial crisis
2 including lower natural gas prices due to expanded fracking, construction of the repowering
3 project was suspended temporarily in early 2009 by order of the Commission.⁴⁶ The
4 Commission subsequently issued an order in May 2009 confirming its decision to delay
5 the project while ELL reevaluated whether to proceed with construction or to cancel the
6 project.⁴⁷ On October 27, 2009, ELL filed its Phase III application seeking to cancel the
7 repowering project; the proceeding also considered the quantification of the prudently
8 incurred and recoverable cancellation costs, appropriate carrying costs, allocation issues,
9 and the potential for securitization to be utilized.⁴⁸

10 The order approving cancellation of the Little Gypsy 3 repowering project states the
11 following:

12 *The evidence supports the approval of the ELL request to cancel the*
13 *Repowering Project. Paragraph 1 of the Uncontested Stipulation provides*
14 *that "The Company's proposed cancellation of the Little Gypsy 3*
15 *Repowering Project is deemed prudent and shall be approved." In Order*
16 *No. U-30192, the Commission directed that, in the event of a material*
17 *change in circumstances such that ELL's decision to build the Project was*
18 *no longer justified, ELL should seek Commission approval "to abandon or*
19 *downsize the Project ..." The Repowering Project is presently in a status of*
20 *longer-term suspension, as approved by the Commission in Order No. U-*
21 *30192-C. Dramatic changes in natural gas markets since 2007/2008 have*
22 *altered the need for and benefits from LG3. Staff witness Mr. Kahal testified*
23 *that the market changes, "along with the fact that ELL has cancelled all*
24 *construction and equipment contracts, mean that moving from long-term*
25 *suspension to cancellation is a prudent decision. The cancellation will*
26 *provide cost savings compared with continued long-term suspension, and*
27 *therefore the cancellation request should be approved." There is no record*
28 *evidence suggesting that longer-term suspension should be continued.*
29

⁴⁶ LPSC Order No. U-30192-B dated March 18, 2009.

⁴⁷ LPSC Order No. U-30192-C dated May 22, 2009.

⁴⁸ LPSC Docket No. U-30192 Phase III; *Application of Entergy Louisiana, LLC for Approval to Recover the Costs of the Little Gypsy Unit 3 Repowering Project in Retail Rates, Including Appropriate Ratemaking, and to Cancel the Project.*

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1 *Under the unique circumstances presented in this matter, the Commission*
2 *finds that the evidence supports the recovery of the cancellation costs as set*
3 *forth in the Uncontested Stipulation. The Uncontested Stipulation*
4 *authorizes ELL's recovery, through a future Commission-approved*
5 *securitization financing under Louisiana Act 988 of 2010, of \$200 million*
6 *(through March 31, 2011) of cancellation costs plus any future*
7 *Commission-approved upfront administration costs associated with*
8 *securitization. ...According to Mr. Kahal, the stipulated cancellation cost*
9 *"reflects a carefully crafted compromise among the Parties," and "it is to*
10 *a large extent consistent with Staff's position. It provides meaningful*
11 *savings compared to ELL's request in this case, and it also appropriately*
12 *recognizes the Company's prudence in managing the cancellation costs."*⁴⁹

13 **Q65. PLEASE EXPLAIN WHY THE COMPANY REDACTED CERTAIN**
14 **INFORMATION ABOUT ITS PROPOSED CCGT GENERATOR.**

15 **A.** There are two reasons that certain information is redacted that in prior certifications may
16 have been public. First, as discussed further by Mr. Breedlove, the Company has not yet
17 executed key agreements with suppliers, including the turbine OEM or the EPC
18 contractor(s). As such, providing certain information publicly in the Application,
19 specifically information that reveals the Company's thinking on pricing and material
20 contractual terms, would disadvantage the Company in future negotiations and, by
21 extension, could lead to higher costs or less favorable material terms and conditions that
22 would ultimately be borne by customers.

23 Second, given the possibility the Commission could make a piecemeal decision and, for
24 example, require the Company to conduct some type of market test of its proposed self-
25 build generator prior to certifying it, making certain information public at this stage of the
26 process could harm the Company's customers by creating an uneven playing field that may
27 improperly distort competing bids. Finally, Commission Staff and appropriate reviewing

⁴⁹ LPSC Order No. U-30192-E in Docket No. U-30192 Phase III dated June 1, 2011; Section V p. 11-12 (citations omitted).

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1 representatives of any intervening parties who have executed confidentiality agreements
2 will have access to non-public information, including exhibits containing highly sensitive
3 protected materials.

4 **Q66. HAS THE COMMISSION PREVIOUSLY APPROVED A SIMILAR**
5 **APPLICATION SUBMITTED BY AN ELECTRIC PUBLIC UTILITY FOR NEW**
6 **INFRASTRUCTURE NECESSARY TO SERVE A DATA CENTER?**

7 **A.** Yes. In LPSC Docket No. U-37425, ELL submitted an application on October 30, 2024,
8 seeking approval to construct new generation and transmission infrastructure needed to
9 serve a new hyperscale data center to be constructed in Richland Parish, Louisiana, by
10 Meta Platforms, Inc. through a subsidiary named Laidley LLC. After an extensive
11 proceeding, the Commission approved a Final Stipulated Settlement Term Sheet between
12 ELL, Staff, and several other parties at its August 2025 Business and Executive Session.
13 The Commission's approval of the settlement reached between ELL, Staff, and several
14 other parties is memorialized in Order No. U-37425, issued August 29, 2025, and the
15 attached Exhibit A. It should be noted that ELL's application and the subsequent approval
16 order preceded the Commission adopting its Lightning Amendment in December 2025, as
17 well as Staff more recently issuing its non-binding guidelines for utilities seeking to serve
18 new, large loads. Also, it should be noted that ELL recently submitted a new application
19 seeking Commission approval to construct additional infrastructure to serve an expansion
20 of the data center in Richland Parish.⁵⁰

⁵⁰ See: LPSC Docket No. U-37882; Entergy Louisiana, LLC, ex parte; *In re: Application for certification of generation and transmission resources and for other relief*; filed March 27, 2026.

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Q67. WHAT IS THE RELEVANCE OF THE COMMISSION'S APPROVAL OF ELL'S APPLICATION IN LPSC DOCKET NO. U-37425 TO THIS APPLICATION?

A. Order No. U-37425 serves as a useful blueprint for this proceeding. In other words, the settlement and order set forth multiple conditions that the Company reviewed as it developed its own Application. While the circumstances of ELL's October 2024 application and this proceeding are not identical, there are compelling parallels. For example, each of the proceedings involved a 15-year ESA with important safeguards to ensure that direct interconnection costs are borne by the customer upfront, other customers will experience benefits over time, and other customers and the utility are protected against adverse consequences, such as early termination or default. Both applications request unique accounting treatments that will benefit other customers by helping to offset future costs through revenue deferrals. Both applications seek certification of new, self-build generating resources that are being pursued on an expedited review timeline without the delays associated with a lengthy procurement process. An important difference is that ELL was constructing three new CCGTs to directly serve Meta's requirements, whereas in this Application Cleco Power requires a new generator regardless of the Customer's new load. Both data centers will foster significant investment in Louisiana that will bring new jobs, especially to rural areas of the state that have not experienced the growth that has accompanied investment in more industrialized parts of Louisiana. Finally, the data centers at the heart of both applications are strongly supported by local and state officials including Governor Landry and his administration, and especially LED.

Q68. PLEASE SUMMARIZE YOUR RECOMMENDATION REGARDING THE PUBLIC INTEREST.

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1 **A.** As a regulated public electric utility, Cleco Power has an obligation to serve under the long-
2 standing regulatory compact. As detailed in this Application and in the testimony and
3 exhibits of its witnesses, the Company has an opportunity to serve a new data center that
4 represents an unprecedented increase in electricity sales. When the Customer's data center
5 has fully ramped up, Mr. Sharp notes that the Company's peak load and annual electricity
6 sales are expected to increase significantly. To reliably serve the Company's customers in
7 the near- and long-term, the Company will require new resources, which of course involve
8 cost. To meet those resource needs, the Company entered into the Capacity Agreement
9 and is planning to construct a new generator. The Customer has agreed to cover 100% of
10 the costs of the Capacity Agreement. Further, the revenues generated under the 15-year
11 ESA will cover a share of the capital and ongoing operating costs of the new generator
12 when it comes online. That said, there is no way to 100% mitigate potential risks, which
13 the Company has identified and has taken numerous actions to address. And in the absence
14 of the Customer's data center, the cost of the new generator, which the Company has
15 demonstrated is necessary regardless, would be borne solely by existing customers, leading
16 to a far greater impact.

17 As demonstrated by the analyses discussed by Mr. Finn, the Company's customers will
18 directly benefit from the increased revenues Cleco Power will collect from the Customer
19 that help cover fixed infrastructure costs as well as costs related to grid resiliency and
20 securitizations related to Dolet Hills decommissioning and storms. Put differently, the
21 RIM Test modeling conducted by the Company demonstrates that other customers are not
22 adversely affected; rather the new revenues the Company will receive, including for grid
23 resiliency and securitizations, will mean customers directly benefit. In developing the 15-

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1 year ESA with the Customer, the Company carefully considered the Customer's need for
2 certainty with the need for safeguards for other customers and for the Company to protect
3 against adverse consequences. Finally, the Customer and the Company plan to invest
4 billions to construct their respective facilities, which will create significant positive
5 benefits in the form of new jobs and tax revenues driving the regional economy and
6 Louisiana as a whole forward. Considering all facets of the Application holistically and
7 applying a balancing-of-interests standard, I believe the Commission should find the
8 Company's proposal to be in the public interest and should approve it as such.

9 **VI. REQUESTED REGULATORY APPROVALS AND TIMING**

10 **Q69. PLEASE SUMMARIZE THE REGULATORY APPROVALS, EXEMPTIONS, OR**
11 **WAIVERS THAT CLECO POWER IS SEEKING.**

12 **A.** The various findings the Company is seeking are laid out in the Application. To
13 summarize, the Company is seeking the following from the Commission:

- 14 1. A determination that the Company has satisfied the requirements of the 1983
15 General Order as it applies to the Capacity Agreement and the proposed new CCGT
16 generator.
- 17 2. Authorization of the Capacity Agreement and its prudently incurred costs as being
18 reasonable, serving the public convenience and necessity, and in the public interest.
- 19 3. Authorization of construction of the new CCGT generator, at the cost proposed by
20 Cleco Power, as being reasonable, serving the public convenience and necessity,
21 and in the public interest.
- 22 4. A determination that the prudently incurred construction and on-going non-fuel
23 costs of the new CCGT generator reflected in the Company's estimated first year

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1 revenue requirement will be recoverable in the Company's pending FRP and the
2 proposed ACCR mechanism (if approved), or via the Company's base rates, should
3 the pending FRP or a similar framework not be in place at the time the CCGT
4 generator enters service.

5 5. A determination that the prudently incurred fuel and eligible variable costs of the
6 new generator will be recoverable via the Company's Schedule FA and any eligible
7 emission allowance costs will be recoverable via the Environmental Adjustment
8 Clause ("EAC").

9 6. Authorization of a depreciable life of 30 years for the new generator for ratemaking
10 purposes.

11 7. Authorization of the Company's proposed quarterly monitoring plan.

12 8. A determination that the Application along with the ESA and its terms satisfy the
13 Lightning Amendment requirements and, as such, exempt the Company from the
14 MBM Order and its requirements for a formal RFP, including waiving any
15 provisions that apply to self-build or utility-owned resources.

16 9. A determination that the Company has satisfied the requirements for an exemption
17 from the Transmission Siting Order for the transmission interconnection to serve
18 the Customer and the related costs under Paragraph VIII(f).

19 10. A determination that the Company has satisfied the requirements for an exemption
20 from the Transmission Siting Order for the substation needed to connect the
21 proposed CCGT generator and the related costs under Paragraph VIII(a).

22 11. A determination that the Company has satisfied the requirements of the Industrial
23 Load Rule.

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1 12. A determination that the Company has provided sufficient evidence to address each
2 of the elements included in the Large Load Additions Non-Binding Guidelines.

3 13. Authorization of the Company's proposal to submit an annual report to the
4 Commission covering the Customer's actual versus forecasted load and related
5 matters beginning July 2027 and ending the year after the new generator enters
6 service.

7 14. A determination that the Company has satisfied the requirements of the Electric
8 Utility Tariff Filings Order and the Site Specific Contract, including that 15-year
9 term for the ESA are reasonable, necessary, and in the public interest.

10 15. Authorization of the extension provisions of the ESA such that the Company would
11 not have to seek approval under the Electric Utility Tariff Filings Order for an
12 automatic extension the ESA after the initial 15-year term ends.

13 16. A determination that the Company is authorized to implement its proposed revenue
14 deferral and accounting treatment.

15 17. The issuance of an order in this proceeding containing the forgoing authorizations
16 and determinations no later than March 31, 2027, and that such order is by its
17 express terms effective immediately upon issuance.

18 18. Any other authorizations or waivers necessary for Cleco Power to effectuate the
19 proposals in the Application.

20 **Q70. WHAT IS THE REQUESTED TIMING OF THE LPSC APPROVALS THE**
21 **COMPANY IS SEEKING?**

22 **A.** Consistent with the provisions of the Lightning Amendment, the terms of the Capacity
23 Agreement, and the need to move expeditiously on multiple fronts to provide electric

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1 service to the Customer's data center, the Company respectfully requests that the
2 Commission reach a decision no later than its March 2027 Business and Executive Session.

3 **Q71. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

4 **A.** Yes, at this time.

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

AFFIDAVIT

BE IT KNOWN, that before me, the undersigned Notary Public, duly commissioned and qualified for the state and parish/county aforesaid, personally came and appeared:

D. ANDREW OWENS

("Affiant"), who after being duly sworn did depose and say:

1. Affiant has prepared Direct Testimony on behalf of Cleco Power LLC in support of the Application of Cleco Power LLC for Authorization of: (I) Site Specific Contract for Large Load Customer; (II) Bridge Capacity Contract; (III) Construction of New Transmission Interconnection; (IV) Construction of New Generation; (V) Associated Waivers; and (VI) Expedited Treatment.

2. To the best of Affiant's knowledge, information, and belief, Affiant's Direct Testimony is true, accurate, and complete in all material respects as of the date of this Affidavit.

D. Andrew Owens

D. Andrew Owens
DANDREWO Consulting, LLC
714 Edinburgh Court
Mandeville, Louisiana 70448

SWORN TO AND SUBSCRIBED
BEFORE ME, NOTARY PUBLIC,
THIS 2ND DAY OF JUNE 2026.

William D. Cass, Esq.

NOTARY PUBLIC

BAR ROLE/NOTARY ID NO.: 08377

MY COMMISSION EXPIRES: 15 For Life

EXHIBIT DAO-1

D. ANDREW OWENS LIST OF PROCEEDINGS PREVIOUSLY TESTIFIED IN

Jurisdiction	Docket No.	Description
LPSC		Cleco Power LLC, Application (1) Implementation of Changes in Rates to be Effective July 1, 2027; (2) New 2027 Formula Rate Plan; and (3) Expedited Treatment
LPSC	U-30422-A	Certification of Acquisition of Ouachita Unit 3 (CCGT)
LPSC	U-31147	Petition for Approval of 2010-2012 EAI Wholesale Baseload (WBL) Power Purchase Agreement (PPA)
LPSC	U-31284	Petition for Approval of 2010 Exelon-Frontier Contract (PPA)
LPSC	U-31841	Petition for Approval of 2011-2014 Dow Contract (PPA)
LPSC	U-31174	Request for Approval of Federal Environmental Adjustment Clause (EAC) Catch-up for Jan-May 2009
LPSC	U-31196	Certification of Acquisition of Acadia Power Block Two (CCGT)
LPSC	U-30670	Waterford 3 Steam Generator Replacement
LPSC	U-32557	Petition for Approval of Rain 20-Year PPA
LPSC	U-32785	Petition for Approval of Agrilectric 20-Year PPA
LPSC	U-32759	Request for Approval of Cost Recovery for Calcasieu CT Long-Term Service Agreement (LTSA)
LPSC	U-32981	Petition for Approval of Montauk 10-Year PPA
LPSC	U-33244	Petition for Approval of EGSL-ELL Business Combination
CCNO	UD-14-03	Petition for Approval of EGSL-ELL Business Combination
APSC	15-076-U	Petition by Forrest City for Approval of a Greater than 300 kW Net-Metered Solar PV Project
APSC	16-027-R	Net-Metering and the Implementation of Act 827 of 2015 (multiple phases between 2016-2020)
APSC	16-060-U	Entergy Arkansas, Inc. Application for Approval to Deploy Advanced Metering Infrastructure (AMI)
APSC	16-089-U	Petition by Stratton Seed Company for Approval of a Greater than 300 kW Net-Metered Solar PV Project
CCNO	UD-17-05	Petition for Approval to Construct Distributed-Scale Solar PV Systems (5 MW C&I Rooftop Solar PV Project)
MPSC	2011-AD-2	Docket to Investigate the Development and Implementation of Net Metering Programs and Standards
PUCT	47460	Petition of Entergy Texas, Inc. for Approval of Revisions to Rate Schedule SQF (Net Energy Metering)
CCNO	UD-18-07	Application of Entergy New Orleans, LLC for a Change in Electric and Gas Rates (2018 Combined Rate Case)
MPSC	2019-UN-082	Notice of Intent of Entergy Mississippi, LLC to Change Rates by Filing Market Valued Demand Response (MVDR) Rider
APSC	19-011-U	Petition by Brantley & Sons, Inc. for Approval of a Greater than 300 kW Net-Metered Solar PV Project
APSC	20-007-U	Petition by Lexicon, Inc. for Approval of a Greater than 1 MW Net-Metered Solar PV Project
APSC	20-013-U	Petition by Bank OZK for Approval of a Greater than 1 MW Net-Metered Solar PV Project
APSC	20-015-U	Petition by Central Arkansas Water for Approval of a Greater than 1 MW Net-Metered Solar PV Project
APSC	20-016-U	Petition by Producers Rice Mill for Approval of a Greater than

		5 MW Net-Metered Solar PV plus Battery Project
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Jurisdiction	Docket No.	Description
APSC	20-018-U	Petition by Forrest City for Approval of a Greater than 1 MW Net-Metered Solar PV Project
APSC	20-19-U	Petition by Stuttgart School District for Approval of a Greater than 1 MW Net-Metered Solar PV Project
APSC	20-032-U	Petition by Ozark Mountain Water for Approval of a Greater than 1 MW Net-Metered Solar PV Project
APSC	20-036-U	Petition by Searcy Board of Public Utilities for Approval of a Greater than 1 MW Net-Metered Solar PV Project
APSC	20-047-U	Petition by City of Stuttgart for Approval of a Greater than 1 MW Net-Metered Solar PV Project
APSC	20-062-U	Petition by Pulaski County, Arkansas for Approval of a Greater than 1 MW Net-Metered Solar PV Project
APSC	21-064-U	Petition by Arkansas Department of Corrections for Approval of a Greater than 1 MW Net-Metered Solar PV Project
APSC	21-069-U	Petition by White River Health System for Approval of a Greater than 1 MW Net-Metered Solar PV Project
MPSC	2021-AD-19	Motion of Entergy Mississippi, LLC for Rehearing and a Stay of Commission's Final Order Amending its Mississippi Distributed Generator Interconnection and Net Renewable Generation Rules dated July 7, 2012
APSC	22-026-TF	Application of Entergy Arkansas, LLC for Proposed Tariffs Regarding Public (EV) Charging and Charging Infrastructure
APSC	22-032-TF	Application of Entergy Arkansas, LLC for Proposed Tariff Regarding Large Power High-Load Density (Crypto-mining)
MPSC	N/A	Work Session to Assess the Laws, Rules, and Regulations Pertaining to New and Existing Electric Vehicle (EV) Charging Stations in Mississippi
APSC	22-051-R	Rulemaking to Address Grandfathering Provisions of Net-Metering
Texas Legislature	S.B. 1002 (2023)	An Act Relating to the Operation of Public Electric Vehicle Charging Stations
APSC	23-021-R	Rulemaking to Implement the Requirements of the Cost-Shifting Prevention Act of 2023 (Net Energy Metering)
APSC	23-047-C	Complaint by Entegritty Energy Partners, LLC and Cal-Maine Foods, Inc. Against First Electric Cooperative Corporation
APSC	23-070-TF	Tariff Filings to Comply with Act 278 of 2023 and the Revised Net Metering Rules Adopted in Docket No. 23-021-R
APSC	09-090-U	Impact of FERC Orders 719 and 719-A in FERC Docket No. RM07-19-001 on the Regulatory Authority of the Arkansas Public Service Commission

EXHIBIT DAO-2

LARGE LOAD ADDITIONS NON-BINDING GUIDELINES MATRIX

Section	Category	Description	Company Witness	References
I	Need, Scope, and Load Characteristics	Load and usage characteristics; ramping schedule	Finn	Q12, Q36
		Contribution to Cleco Power's coincident peak; integrated resource planning ("IRP"); and long-terms supply plan	Sharp	Q8-Q12, Q16-Q33
		Evaluation of Customer load under system conditions	Thibodeaux	Q9-Q10, Q15-17
II	Resource Adequacy & Capacity	Overall supply plan; IRP; necessity of the bridge capacity agreement; Midcontinent Independent System Operator, Inc. ("MISO"); proposed combined cycle gas turbine ("CCGT") generator	Sharp	Q9-Q15, Q20-Q33, Q35-Q45
		Proposed CCGT generator including cost and schedule	Breedlove	Q12-Q26, Q38-Q60
		Planned location of CCGT generator	Thibodeaux	Q32, Q36
III	Transmission & Interconnection	Customer transmission interconnection; proposed CCGT substation; MISO's Expedited Resource Addition Study ("ERAS"); and potential upgrades	Thibodeaux	Q8-Q10, Q14-Q18, Q23-Q24, Q31, Q36-Q37
		Customer transmission interconnection, costs, and schedule	Jenkins	Q9-Q11, Q13
		Electric Service Agreement ("ESA"); Contribution in Aid of Construction ("CIAC") payments; and customer protections	Finn	Q9-Q20
			Sipowicz	Q11-Q15, Q22
		CIAC payments and tax gross-up	McDowell	Q22-Q27
IV	Stranded Asset & Exit Risk	ESA terms; Customer billing; and Ratepayer Impact Measure ("RIM") Test modeling	Finn	Q21-Q52
		Long-term supply plan; the Capacity Agreement; and proposed CCGT generator	Sharp	Q9-Q10, Q13-Q15, Q30-Q45
		Cleco Power's existing generation fleet	Breedlove	Q7-Q11
		CIAC payments and customer protections	Sipowicz	Q19-Q22

Section	Category	Description	Company Witness	Reference(s)
V	Rate Design & Cost Recovery	ESA terms; Customer billing; and RIM Test Modeling	Finn	Q21-Q52
		Terms of the ESA and customer protections	Sipowicz	Q16-Q37
VI	Operational Control & Curtailment	ESA terms	Finn	Q15
VII	Ancillary Services & Power Quality	ESA terms	Finn	Q15
		Transmission system reliability; power quality; and potential North American Electric Reliability Corporation ("NERC") standards	Thibodeaux	Q19-Q21
VIII	Fuel Supply & Infrastructure Risk	Natural gas supply for the proposed CCGT generator	Breedlove	Q47-Q53
IX	Load Ramp Management	ESA terms and load ramp schedule	Finn	Q36
		Customer's anticipated load, timing, and load ramp schedule	Sharp	Q18-Q19
		Transmission system reliability and power quality	Thibodeaux	Q9, Q11, Q15-Q17
X	Market & Planning Impacts	Resource adequacy; MISO Planning Reserve Auction ("PRA"); IRP; and the Capacity Agreement	Sharp	Q9-Q11, Q25-Q26, Q29-Q31, Q39-Q40
		RIM Test modeling and other analyses	Finn	Q21-Q52
XI	Environmental & Local Impacts	Proposed CCGT generator air, water, and related permitting	Breedlove	Q61
		Customer transmission interconnection right-of-way	Jenkins	Q14-Q16
XII	Ongoing Oversight	Quarterly monitoring report for proposed CCGT generator	Breedlove	Q66-Q67
		Annual report on compliance with ESA terms, actual Customer load and energy usage, and billing	Finn	Q54